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PARIS, THURSDAY, JUNE 7, 1990

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40 Die in Rioting In Soviet Kirghizia As Unrest Spreads

By Francis X. Clines
New York Times Service
MOSCOW — The Kremlin reported Wednesday that at least 40 persons have died in three days of ethnic rioting and countermeasures by Soviet troops in the Central Asian republic of Kirghizia.
Long simmering enmity between the Kirghiz majority and an ethnic Uzbek minority erupted into violence Monday in a dispute over the distribution of sorely needed household land, according to Soviet news accounts.
Soviet forces fired machine guns and tear-gas grenades in facing a protesting crowd of 20,000 Uzbeks in the initial incident in Osh, an industrial center near the border of Soviet Uzbekistan, according to one news account.
While the deaths were attributed in government-controlled news reports to repeated clashes between Uzbeks and Kirghiz, automatic weapons fire from Soviet troops also apparently accounted for a significant part of the casualty toll. The toll included at least 200 wounded, many of them in Osh Tuesday, by official accounts.
Fierce street clashes were reported, with the army using armored cars and helicopters in facing protesters, including "rampaging crowds" along the Uzbek-Kirghiz border, press accounts said.
The government of President Mikhail S. Gorbachev has been confronted by a growing wave of nationalist protests and ethnic rivalries and repeated incidents of violence in the provinces, often finding itself accused of aggravating the situation.
Independent accounts of the trouble in Kirghizia were not immediately available from the area, which has been closed to foreign correspondents.
The violence in Kirghizia started in Osh, about 160 kilometers (100 miles) from the Chinese border, where Soviet troops opened fire with machine guns, after coming under assault by a mob of Uzbeks throwing rocks and gasoline bombs.



Soviet Muslims protesting Wednesday in Moscow against the cost of tickets for the pilgrimage, or Hajj. One sign demands, "Realistic conditions for the trip to Mecca!"

West Vetoes Fiber Optics Line Across Soviet Union

By Stuart Auerbach and John Burgess
Washington Post Service
WASHINGTON — In a coordinated move hours after President Mikhail S. Gorbachev left the United States, the U.S. and British governments vetoed competing proposals by two major telephone companies in their countries to build a modern fiber-optic communications line across the Soviet Union.
The move came despite repeated calls by Mr. Gorbachev during his visit here for increased investment and aid from the West to help modernize the Soviet economy.
Bush administration officials said the actions Tuesday were timed to signal to U.S. allies that the United States and Britain have come together on the eve of a multinational meeting that began Wednesday in Paris to discuss loosening restrictions on technology exports to the Soviet Union and Eastern Europe.
Under pressure from allies and U.S. business, the Bush administration has agreed to greatly liberalize export controls on machine tools and computers. But up until now it has stood firm on telecommunications, although administration officials said a compromise is possible during the meeting of the 17-nation Coordinating Committee on Multilateral Export Controls (Coccom).
US West Inc., a telecommunications firm in Denver that heads an international consortium that wants to build a \$500 million line, said the Commerce Department had informed it that the government would oppose its application on grounds of national security.
Leird Walker, US West's vice president for federal relations, said the company planned to appeal.
An administration source said the British government had delivered a similar message to Cable & Wireless, which heads another group that proposed to build a similar but less technically advanced line. Both would run from Japan to Western Europe, crossing the Soviet heartland.
The United States has taken the toughest line on keeping export controls tight, arguing in meetings of Coccom that security of the West still requires limits on exports. Fiber optics, in which voices are transmitted as bursts of light, could give away technology with important military applications, the United States has said, and is also used in controlling missiles. Administration sources said the U.S. position also was influenced by the National Security Agency, which said it would have a harder time listening in on communications in the Soviet Union and Eastern European nations if they had fiber-optic cables and advanced digital switching gear.

Soviets Back Off On Jews

U.S. Cites Pledge By Shevardnadze Not to Halt Exits

By John M. Goshko
Washington Post Service
COPENHAGEN — Foreign Minister Eduard A. Shevardnadze of the Soviet Union has assured the U.S. secretary of state, James A. Baker 3d, that his government will not halt Jewish emigration to Israel despite President Mikhail S. Gorbachev's threat in Washington on Sunday.
Mr. Shevardnadze gave the assurance to Mr. Baker during a two-hour meeting here Tuesday night after Mr. Baker raised U.S. concern about the meaning of Mr. Gorbachev's comments, a U.S. official said Wednesday.
[Mr. Baker said Wednesday that he would transmit to NATO allies a Soviet proposal on the military future of a reunited Germany. The Associated Press reported from Copenhagen.]
[Mr. Baker said that Mr. Shevardnadze had provided only a few details of the proposal, but added, "I hope we are making progress" in persuading Moscow to give up its objections to German membership in the Western alliance.]
On Sunday, when Mr. Gorbachev and President George Bush concluded their summit meeting with a joint news conference, Mr. Gorbachev said he had been "bombarded" with criticism from Arab governments fearful that Israel would settle large numbers of Soviet Jews in the occupied West Bank.
Mr. Gorbachev said, "Either our concern is heeded in Israel and they will make certain concessions or else we must give further thought to it in terms of what we do in issuing permits for visas."
The remark caused concern in Israel and the United States and prompted U.S. officials to say that the Soviets had not raised the issue during the summit talks. In fact, Mr. Bush's decision to sign a controversial trade agreement with the Soviets was made partly to encourage continuation of the liberalization that has allowed thousands of Jews to leave the Soviet Union.
The senior official, who declined to be identified, said that in the meeting Tuesday, Mr. Baker had told Mr. Shevardnadze that Washington "was surprised and confused by Gorbachev's statement and wanted clarification."
The official added, "The secretary made clear that any move in that direction would have very serious consequences."
According to the official, Mr. Shevardnadze explained that Mr. Gorbachev had wanted to demonstrate that Moscow "would like to have certain trade agreements with the Israelis because there's a problem" in the Soviet view.
But Mr. Shevardnadze stressed that Moscow had no intention of backing away from its liberalized emigration policy, the official added, and assured Mr. Baker that the policy would continue and be codified in a new emigration law, as Mr. Gorbachev has promised.
The United States originally had tied a trade agreement and the granting of most-favored-nation trade status to Moscow to the passage of such a law.
During the summit meeting, Mr. Bush decided to sign the agreement but made it clear that he would not send it to Congress until the Supreme Soviet passed the emigration bill. He also withheld for the present most-favored-nation tariff status for Soviet exports.
Asked why the emigration law had been delayed, Mr. Shevardnadze explained that the Supreme Soviet has a very full docket at present and is particularly preoccupied with Mr. Gorbachev's controversial economic renewal program, the official said.
Mr. Baker and Mr. Shevardnadze were in Copenhagen for the opening of a human rights conference in the Conference on Security and Cooperation in Europe.
In a speech to the conference Wednesday, Mr. Baker said the

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De Klerk Might Lift Emergency

CAPE TOWN (APF) — President Frederik W. de Klerk will speak to the three houses of the Parliament on Thursday, according to a presidential spokesman.
Observers said Mr. de Klerk was almost certain to announce the raising of the national state of emergency, which was up for renewal this week. It was imposed in June 1986. The spokesman said that a cabinet meeting on Wednesday was dominated by the emergency.



Clyde Lee Conrad, at his sentencing in West Germany to life in jail for spying for the East bloc. Page 8.

General News

An American doctor used a suicide device to help an Alzheimer's patient die. Page 3.

World Cup Finals

Jules Hargrave was re-elected to a fifth four-year term as president of FIFA in a raucous session of the ruling body's congress. Page 21.

Business/Finance

An EC panel said British beef was safe to eat despite Contaminant ban. Page 15.

Special Report

With the French economy riding high, the trend is to globalization. Pages 9-12.

Crossword Page 21.
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In Poland, Self-Inflicted Wounds Are Crippling Solidarity

By Blaine Harden
Washington Post Service
WARSAW — Solidarity, the labor union movement that survived a decade of Communist repression and last year scored the first victory in Eastern Europe's season of revolution, is now at war with itself.
After less than a year as the pre-eminent political force in Poland, the movement is being crippled with self-inflicted wounds.
The internal conflicts are occurring against the backdrop of plummeting living standards in Poland, a country now squeezed by the most aggressive free-market economic policy in Eastern Europe. As hard-

5 Senior Communists Detained in Prague

The Associated Press
PRAGUE — Five former leading Communists, including Vasil Bilak, the man suspected of encouraging Soviet troops to invade Czechoslovakia in 1968, have been detained two days ahead of the nation's first free elections since 1946, the state news agency CTK said Wednesday.
The detentions seemed certain to deal another blow to the credibility of the Communist Party, which is running a distant third in opinion polls before the elections.
Mr. Bilak, 72, is widely despised in Czechoslovakia, where he is rumored to have encouraged the Soviets to invade in 1968 and crush the "Prague Spring" reforms of Alexander Dubcek.
The four other Communists summoned for questioning included Milos Jakes, the party chief ousted in last winter's peaceful revolution, and the former prime minister, Jozef Lenart. Both are widely associated with the purge of half a million party members and the imposition of hard-line Communist rule after the 1968 invasion.
Two more former top party officials, Michal Stefank and Rudolf Hegensbert, answered summons from police Wednesday. Deputy Interior Minister Andrej Samel said they were summoned to "clarify their activities related to the 1968 invasion and possibly other criminal activities as well," Mr. Samel said.
State television reported without details that Gustav Husak, Mr. Jakes' predecessor as party chief before being appointed president, also was questioned Wednesday.
The detention and summons appeared timed to satisfy popular demand that Mr. Bilak, Mr. Jakes and others be punished for their part in the 1968 invasion and the 21 years of harsh Communist rule that followed.

Years Catch Up With the Queen on a New Note

By Leigh Bruce
International Herald Tribune
LONDON — A £5 bank note to be issued on Thursday features a new portrait of Queen Elizabeth II looking her age — 64.
The outgoing note was designed 20 years ago and the new portrait was done from recent photographs. On the flip side of the note, a portrait of the railroads pioneer George Stephenson replaces that of the Duke of Wellington.
Britain's tabloid press seems to feel there has been little change.
The newspaper Today wrote that the Queen looks like "an aging gran with bulbous nose and double chin."
The Sun claimed the Queen was "shocked by her wrinkly looks" when she viewed the portrait by the artist, Roger Whittington. The Queen is said by the Sun to have then told the artist, "I suppose I am old."
But a Bank of England spokeswoman insisted that "the designer has given no newspaper interviews," adding that the artist would not be available for comment and did not wish his whereabouts to be known. "The portrait was approved by Buckingham Palace," she said.
The introduction of the new note, according to a Bank of England spokesman, will take six to 12 months. All bank notes will be replaced over the next four years. The £5 note will be followed next year by a new £20 note.
"We like to keep way ahead in technology and design," the spokesman said. The £5 note will be slightly smaller than its predecessor in order to make it easier to handle and to cut down on production costs, the bank said.
The new notes will also incorporate design features intended to foil counterfeiters. Some of the features can only be detected by special sorting machines or by experts using magnifying equipment.

The new £5 note, top, with a gracefully aged Queen Elizabeth. The Associated Press

Ugandan Women Struggle With a New Concept: Wife-Beating Is Wrong

By Jane Perlez
New York Times Service
BUWUNGA, Uganda — The women of the village took a rare break from their afternoon chores, put on their best dresses and walked up to seven miles to come and hear about something revolutionary: women's rights.
Under the shade of an ancient mango tree, Sarah Bagalaaliwo, the chairwoman of the Uganda Association of Women Lawyers, spoke about inheritance rights, property rights and divorce law.
"Don't be fooled, she told the crowd of women seated on the grass.
Women can own property. If you inherit land from your father or earn enough to buy some yourself, register it in your own name, not your husband's, she advised.
A husband, she said, may try to take all the household possessions during a divorce or separation.
"He might beat you up, but don't give in," Mrs. Bagalaaliwo said with a bravado acquired from years of being a lawyer and businesswoman in Kampala, the capital. "Fight back."
To this, the women laughed in approval.
On a bench at the edge of the crowd, a group of men who had been invited to sit in smiled nervously.
These are words rarely heard in rural areas of Uganda, where, as in many parts of Africa, 14-year-old girls are married off for a dowry of cattle.
It is the women, not the men, who do the back-breaking physical labor, lugging enormous containers of water on their heads or on their backs, carrying firewood, digging in the fields, cooking and caring for a multitude of children.
In this southern region of Uganda where the Baganda are the dominant people, the submissiveness so common among women is compounded by cultural traditions that dictate that a woman kneel when meeting a man, even her own son.
The plight of African women and their lack of reward for their overwhelming contribution to food production has prompted numerous calls for reform.
Little has changed, but there are signs of new attitudes.
For more than a year, a group from the Uganda Association of Women Lawyers has been trying to inform women in the countryside, where 80 percent of Ugandans live, life doesn't have to be this way.
The government of President Yoweri Museveni, struggling to rebuild the war-ravaged country after 20 years of brutality, is one of the most progressive on the continent on the subject of women.
Each of the 34 parliamentary districts has an at-large seat reserved for a woman.
Women are members of the cabinet, and the ministry of agriculture, one of the most vital posts, is held by a woman.
But in a male-dominated society where polygamy is common, Mr. Museveni's sentiments are difficult to translate on a broad scale.
Thus, the Lawyers Association has found it necessary to publish a leaflet entitled "Wife-Beating Is Against the Law."
The leaflet warns women not to believe it is part of Ugandan custom to accept a beating.
It tries to demolish the idea, prevalent among some women, that a woman is beaten as a sign of love.
"In traditional societies a woman was treated with great respect and beating a woman was despised," the leaflet says.
Reflecting the devastation that AIDS is causing in Uganda, particularly in this southern district of Masaka, where Buwunga is located, many of the questions at the lawyers' meetings are about the social consequences of the disease.
Indeed, the local women explained, the turnout at the meeting under the tree was low because many women were attending one of the half-dozen funerals held that day, and most days, for AIDS victims in the area.
"If you advise your husband to use a condom, he may beat you and send you away," a rural woman asked, "Where do you go?"
"Take life into your own hands," a lawyer, said.

See TALKS, Page 8

See FIGHT, Page 8

U.S. Doctor Uses His Suicide Device to Help Alzheimer's Patient Die

By Lisa Belkin
New York Times Service

NEW YORK — A doctor in a suburb of Detroit says he connected a woman suffering from Alzheimer's disease to a homemade suicide device and watched as she pushed a button and died.

The doctor, Dr. Jack Kevorkian, said in a telephone interview that this was the first time he had used his invention, which he unveiled last fall in a series of newspaper interviews around the country.

He said that Janet Adkins, who lived in Portland, Oregon, had contacted him as a result of the publicity said that he first met her last weekend at a restaurant near his home in Holly, Michigan. He said he explained the procedure to her and decided she was alert enough to understand.

In Portland, Mrs. Adkins' family made public a suicide note at a news conference on Tuesday night. Mrs. Adkins, who died Monday, said she realized she had Alzheimer's disease and she did not "want to let it progress any further" nor to "put my family or myself through the agony of this terrible disease."

Her husband, Ronald Adkins, said his wife had been a strong believer in the view that people had a right to take their own lives.

"This is a very special woman," he said. "She loved life. She was upset because she was losing her mind, and her mind was everything to her."

"She made that decision based upon the fact that the things she loved most — reading, literature, music and all that — she couldn't do anymore."

[Interviewed Wednesday on ABC television, Dr. Kevorkian said he had many potential patients. The Associated Press reported.]

"I've been contacted by many patients in about 25 or 30 states, patients as far as England, Hawaii," he said. "But I can't help patients in other states, because it's illegal in most of those states. It's a felony. And I can take the drugs across state lines. So I'm confined to working in Michigan."

Dr. Kevorkian, a longtime advocate of euthanasia and other unconventional views, said he took the action, in part, to force the medical and legal establishment to consider his ideas. He said he knew he might face arrest.

"They'll all be after me for this," he said. "My ultimate aim is to make euthanasia a positive experience. I'm trying to knock the medical profession into accepting its responsibilities, and those responsibilities include assisting their patients with death."

Word of Mrs. Adkins' death, which the doctor said took less than six minutes, alarmed many experts in medical ethics and confused many legal experts. The case raises the specific legal question of what constitutes assisted suicide and the more general philosophical question of what role, if any, doctors should play in helping seriously ill patients to die.

Richard Thompson, the prosecutor of Oakland County, Michigan, said Tuesday that no criminal charges had been filed.



Dr. Jack Kevorkian with his homemade suicide device, which he said he used on Janet Adkins, allowing her to push a button and die.

"We're still in the early stages of our investigation," he said. "We won't make any decision until the Michigan state police and the medical examiner have completed their investigations."

He said he would ask for a court order to prohibit the use of the machine.

Experts in right-to-die cases said virtually no states allowed a person to assist another in committing suicide. But prosecutors in the Detroit area said Michigan law was murky on the subject.

"In most cases, it's against the law to assist," said Julie Perlman, the executive officer of the American Association of Suicidology, a group of medical and social experts on suicide and suicide prevention.

The experts said it appeared that the reason Mrs. Adkins, 54, an English teacher, traveled to Michigan to end her life is that it is the one state whose statute on the issue is viewed by some legal experts as open to interpretation.

Dr. Kevorkian said he had not committed murder because the patient, not the doctor, administered the fatal medication.

He said he had inserted an intravenous tube into Mrs. Adkins' arm and dripped harmless saline solution through it. Mrs. Adkins then pressed a button that stopped the saline and replaced it with sodium thiopental, which causes unconsciousness, he said.

After a minute, the machine switched solutions yet again, to potassium chloride, which stops the heart and brings death within minutes.

He said Mrs. Adkins "had a wonderful life, a good life, but she was slipping from an insurmountable disease and she didn't want to suffer."

Just before she died, he said, "She looked at me with grateful eyes and said, 'Thank you, thank you, thank you.'"

Many students of medical ethics draw a line between withdrawing care, such as a feeding tube or a ventilator, and actively giving the patient something that will cause death.

"You can refuse treatment," said

Rose Gasner, the legal director for the Society for the Right to Die, "but, under the law, you can't say, 'Kill me.'"

Yet doctors and others concerned with ethics acknowledge that the line is nudged every day, with doctors granting patients' re-

quests by unofficially providing the means to kill themselves.

"It's not uncommon for physicians of cancer patients to say, 'Here's some medication and make sure you don't take more than 22 pills because 22 pills will kill you,'" said Judith W. Ross, a professor of

medical ethics at the University of California at Los Angeles.

But Dr. Kevorkian's machine, she said, goes far beyond nudging the line.

"Killing patients is not a good activity for doctors to be engaged in," she said. "Even if society wants something like this done — and it's not clear that they do — someone other than doctors should do it."

"If doctors do it, it sends a really problematic message to patients: 'Do you know what your doctor's up to?'"

Dr. Kevorkian said the existence of his machine would not encourage people to commit suicide.

"They already do that," he said. "They jump out of buildings, they blow their brains out, they drink lye. Is that better?"

Some experts also raised questions about whether Mrs. Adkins was competent to make the decision, particularly since she had Alzheimer's disease, which causes memory loss and confusion.

This is not the first time Dr. Kevorkian, a retired pathologist, has clashed with the medical profession. While in medical school at the University of Michigan, he said, he was told he would have to leave if he did not back away from a proposal he made that Death Row prisoners be made permanently unconscious and used for medical experiments.

Most recently, he has advocated the use of Death Row prisoners as organ donors, to be executed under circumstances that would permit immediate use of their organs.

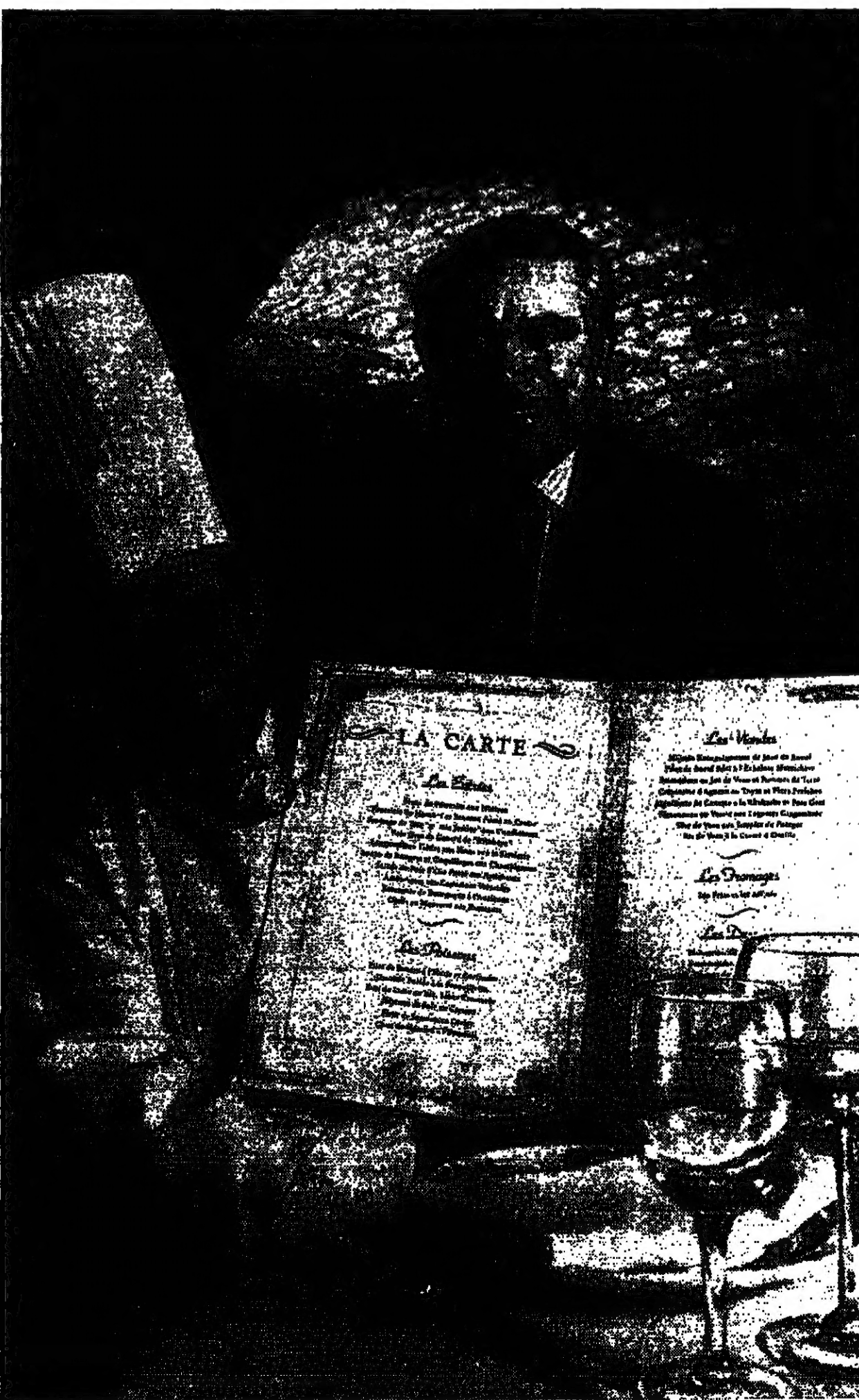
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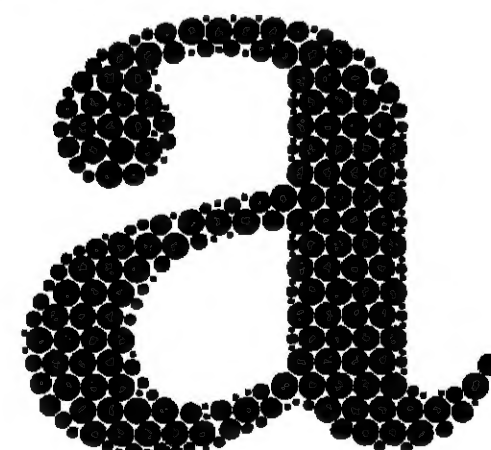
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Herald Tribune

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Seoul and Moscow

A Task for Koreans

Mikhail Gorbachev's invitation of South Korean President Roh Tae Woo to San Francisco dramatizes a Moscow-Seoul warming that holds the potential to extend détente from Europe into Asia and eventually to reunify Korea.

Two huge armies face each other across a tense line in Korea, which, of the four countries left divided by World War II, remains the one that could explode (again) in war. To ease the conflict somewhat, the United States, while staying faithful to its longtime ally South Korea, has edged into a limited formal dialogue with Moscow's and Beijing's ally, the hermit state of Communist North Korea. Meanwhile, the Soviet Union has also crossed alliance lines, increasing contacts with the South by trade, by participation in the 1988 Seoul Olympics and now by a nimble political initiative promising the establishment of formal ties. The sequence gives Moscow and Seoul a far closer and more conspicuous connection than Washington and Pyongyang. North Korea's capital, and may stimulate some competitive diplomacy in return.

As welcome as such exchanges are, more is required to bring the Korean Peninsula peace and security. Right off, the Soviets

need to begin matching Washington's careful military retrenchment in South Korea; the two big powers together should see to a controlled military stand-down. North Korea's other nearby patron, China, which has been widening its own links to Seoul, must naturally be consulted on a Korean settlement. Japan, economic powerhouse of East Asia, also has to be drawn in. A Korean settlement, of course, cannot be imposed from outside. It can only arise from negotiations among Koreans. South Korea, its longing for reunification tempered by deep and well-justified suspicion of Northern treachery, has nonetheless devised an American-encouraged "North policy" of economic and political outreach to the divided country's other half, and especially to the other half's patrons and friends. North Korea has remained largely defiant and inflexible, and it has seemed that it would stay so at least as long as Kim Il Sung is in charge — unless the North's 78-year-old Stalinist dictator draws the proper conclusion from the Gorbachev-Roh breakthrough and decides that his country must adjust to new times, too.

That is the key to peace in Korea — and it is also a long shot.

—THE WASHINGTON POST.

A Meeting for Peace

There is far more than post-Cold War symbolism in the courtship between Moscow and Seoul, further nurtured by Monday's meeting of Mikhail Gorbachev and Roh Tae Woo in San Francisco. A consummated relationship could bring real gains to both countries. America, too, would benefit from a wider peace in Northeast Asia.

South Korea was born anti-Communist when the Korean Peninsula was partitioned along ideological lines after World War II. It fought a bitter war against Soviet- and Chinese-backed invaders from the North, succeeded by a tense and dangerous armed peace. But under President Roh, a newly confident and economically successful South Korea has reached out to former foes. Moscow and Beijing both came to the 1988 Seoul Olympics. South Korea opened embassies in Eastern Europe even before communism's collapse.

Diplomatic ties with Moscow remain at the consular level for now, but economic relations are booming. Bilateral trade doubled last year to \$600 million. The Soviets seek further trade growth, especially in low-cost imports of Korean ships, vehicles and machinery. Moscow also hopes for Korean

loans and investments in Siberian development. This in turn could entice investment from Japan, to prevent South Korea from locking in a head start.

South Korea's anticipated gains are mostly political. Mr. Roh is eager to defuse the danger from the North. If he can persuade Moscow and perhaps Beijing to press moderation on Kim Il Sung, South Korea can have greater security in Northeast Asia. A peace dividend would release funds to respond to the social demands that democracy has awakened. Achieving full relations with Moscow and détente with Pyongyang could also brighten South Korea's political mood. President Roh's standing has abruptly declined in recent months amid political maneuvering, strikes and crude repression.

Washington can only gain from a relationship that promotes Soviet economic reform and reinforces South Korean security. A warmer strategic climate would also allow further American troop withdrawals.

For years, South Korean nationalists have demonized Washington as the main obstacle to better North-South Korean ties. By meeting Mr. Gorbachev on U.S. soil, Mr. Roh refutes their argument while honoring their goal.

—THE NEW YORK TIMES.

Help Eastern Europe

In Poland the standard of living fell throughout the 1980s. In some of the other East European countries it may have risen slightly, but not enough to acquire their Communist governments of the charge of incompetence. The sense of economic crisis has been a powerful force in the revolutions of the past year. The democrats now taking office know that to make their countries work better in the long term, they have to go ahead with reforms that will hurt in the short term.

The CIA recently offered the Joint Economic Committee of Congress its view of this process and came to the right point. Deepening austerity risks public resistance and protest that can block these desperately necessary reforms. In the immediate future, the CIA suggested, economies may well perform most badly in those countries — Poland, Hungary, Yugoslavia — that are pushing reform hardest.

During the past year the West has come to realize how far the reforms are going to have to go. The CIA study estimates that 40 percent of the firms in Poland and Yugoslavia will fail if direct state aid is cut off. Because of the severe housing shortages workers cannot easily leave the mill towns in search of new jobs elsewhere. That raises once again the question: Is the West doing enough to help these new democracies? The answer is that the West has done some

useful things, but not nearly enough so far. Jeffrey Sachs of Harvard, who has been working as a consultant to the Polish and Yugoslav governments, offered the Joint Committee a short list of immediate needs. The East Europeans need financial support for their currencies to enable them to open their markets and trade with the West. On that, the West and specifically the United States have given at least Poland valuable help. East Europeans also urgently need technological help — not only in engineering and manufacturing but also in design and marketing to enable them to take advantage of their access to Western markets.

And then there are Eastern Europe's foreign debts, regarding which Mr. Sachs has been carrying on a crusade for some time. Through the Brady plan, the rich countries have begun to provide a measure of debt relief to the poor countries — mostly in Latin America — that owe billions to the commercial banks. But the Brady plan does not help the East Europeans. Most of their debt is owed directly to the governments of the rich countries, which, as Mr. Sachs observes, have declined to apply to themselves the same rule of forgiveness that they are trying on the commercial banks. But as an investment in democracy, debt relief promises to pay dividends.

—THE WASHINGTON POST.

Other Comment

A North Korean Opportunity

Being the traditional ally of Pyongyang, Moscow could certainly exercise a great deal of influence. It is believed that Moscow still has considerable leverage to induce change in the attitude of Pyongyang. In addition to its inseparable trade relations with Moscow, North Korea is heavily dependent on the Soviet Union for assistance and technology in pushing ahead with its economic and military modernization efforts.

The demand and need for effective dialogue is self-evident to all Koreans on both sides of the Demilitarized Zone. Pyongyang must now stop quibbling and follow the worldwide current of openness and cooperation in an age of new détente between West and East. The opportunity is fleeting for North Korea. Pyongyang must not miss the chance. If it refuses to bend, it is destined to be broken.

—The Korea Herald (Seoul).

No More Grinding of Teeth

The superpowers are now talking business. No longer does one hear the grinding of teeth. But the two leaders have yet to form a close friendship. Still, they respect one another more, to the point that they want to meet regularly, perhaps once a year. That is the most important result of the three days of talks. Humanitarian questions have almost ceased being a matter of disagreement. There has also been a lessening of tension on regional conflicts. The future of détente no longer depends on the situations in Kabul, Managua or even Havana.

—P. Boer, F. Elster (Le Figaro, Paris).

The summit did not deliver concrete substantial agreements, merely prospects of better things to come. Deep divisions remain. Time is what Mikhail Gorbachev really needs. But his countrymen are impatient.

—The New Straits Times (Kuala Lumpur).

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China's Leaders Can't Arrest the Tide of Democracy

By Gao Xin

Gao Xin, 34, a scholar who was imprisoned for six months after joining a hunger strike at Tiananmen Square in Beijing on June 2, 1989, is one of the few dissidents openly active in China today. This is the second of two articles excerpted from a manifesto he wrote.

SOME people have criticized us, saying that we were still advocating nonviolence when faced with tanks and machine guns and that we "compromised" with the government at the most crucial time, organizing the so-called peaceful withdrawal — a sign of absolute cowardice.

My answer is this: Tanks and machine guns indeed could not stop the people's pursuit of democracy. But bricks, pieces of tile and soda-pop bottles could not help, either.

We were also criticized for being interviewed by reporters from the government's propaganda institutes. Some even think we were forced to be "witnesses" for the government, against ourselves. I have to repeat: We did not see anybody killed during the "clearing of the square" on June 4, between 4 and 5:30 A.M. Nor was there a "river of blood" in the square. We persuaded most of the students and citizens to leave the square.

Just as no one needs to exaggerate, or try to alter the fact that there were long, bloody confrontations outside the square in other parts of Beijing, it is also a fact that no one was killed in the square.

On June 4, early in the morning, two of the army officers in charge of "clearing out the square," by the names of Ji and Gu, told us: "There is only one way the troops will not, by mistake, do any harm to the students in the square while carrying out orders: The students and other people must leave the square unconditionally." They added, "If you could persuade the students to leave, you will be praised." In other words, if we could not succeed in organizing the people in the square to withdraw peacefully, there was bound to be "harm by mistake."

At that most crucial time, we organized

the peaceful withdrawal and took away the weapons to prevent unnecessary bloodshed. However, Liu Xiaobo, who ought to be praised, is still in prison. What is awaiting him, we still cannot tell.

The reason I am bringing this up again a year later is to reveal the truth and demand justice. I have always believed that there was nothing wrong about the behavior of the four of us — Liu Xiaobo, Zhou Dun, Hou Dejian and me — on June 4, 1989. We can face our own consciences, our people and our history with absolutely no sense of guilt. And our actions benefited the government.

Everyone in China, including the highest party and national leaders, must learn democracy from the very beginning. Mistakes will be unavoidable.

As for our opposition to the government's decision to declare martial law, and our hunger strike to protest it, public opinion today and the judgment of history tomorrow will decide whether we were right or wrong. Li Peng once said to some foreigners that history would eventually prove that the way they resolved the June 4 incident last year was correct. I would like to wait for the judgment of history, together with Prime Minister Li Peng.

By all means, the "political turmoil" last year needed to be resolved as soon as possible. But it was legitimate to send national defense forces into the city to implement martial law? The People's Republic of China's constitution states: "The armed forces of the PRC belong to the people." Their duty is to protect the motherland and the people.

Granted, there were traffic jams and situa-

tion problems. But this was not an armed rebellion. If tanks and machine guns have to be used to deal with bricks and bottles, what should be used if some real anti-government force appears in the country? Nuclear bombs? The fact that the government ordered the troops to open fire shows how weak the policy-making people were when faced with emergency, and how unconfident they are about the stability of their regime.

The saddest thing of all about the events of last June is that they pushed so many people to the opposite side, people who had originally been supporters of the government or, at most, had some different viewpoints about certain government measures.

Nearly 10,000 people were killed or wounded during the June 4 incident. It caused tremendous economic losses, and serious confrontation between the masses and the government and its army. Such a heavy price. But, was it really unavoidable?

Li Peng said the following words as late as April 5 of this year: "We cannot look at this issue without taking the historical situation of the time into consideration. Thinking about these events afterward, maybe we could have used some other method to resolve it." They nonetheless chose the method of killing people. What could this be other than a mistake? It is said that Deng Xiaoping has decided not to discuss the June 4 incident for the next three years. I am quite puzzled about this. If the government's decision at the time was correct, there will be no need to discuss it in three years. On the other hand, if the government is not even sure about the correctness of the decision, wouldn't it be good for the sake of the country's political stability to bring it up for discussion as early as possible? Wouldn't it be beneficial for the nation?

I myself truly support the reform and the open-door policies. And I wish the country stability. Everybody should have the same hope. But real stability can be achieved only when government policies and decisions are supported by the people, when the people are

allowed to speak out about their different opinions, when the people are given ample rights of democracy and freedom.

I have always believed that there is no political party in China that can compete with the Communist Party, let alone replace or overthrow it. I joined the party 15 years ago, when I was 20 years old. After June 4 last year, I was imprisoned for half a year. But during the six months, I always entrusted others to turn in my fee to the party. After my release, although I have no income, I still turn in my party fee every month. This can be called "devout." The party committee at Beijing Normal University so far has not made any decision regarding my case. I can do nothing but wait. But for how long?

I never intended to become involved in politics. I went to Tiananmen Square last year because I had some objection to the policies of the government. After my release, some foreign reporters asked what I was thinking about. My answer was: I am still convinced that opposition to all forms of violence is a correct and righteous standpoint.

Our June 2 Hunger Strike Declaration said: "We must recognize that democratic rule, to every Chinese person, is unfamiliar." Everyone in China, including the highest party and national leaders, must learn democracy from the very beginning. Mistakes by the government and the people will be unavoidable. What is important is to admit those mistakes, to correct them and to learn from them.

I hope that all Chinese, guided by their conscience and sense of responsibility to the nation, will think back calmly and objectively to the year 1989; that they will reason carefully, and calmly pass through 1990; that they will wait, with optimism and confidence, to welcome China's year 2000. As the tide of democracy sweeps across the world, its powerful trend unstoppable, as the governments of the world have learned or are learning to use peaceful means to solve their problems, it is impossible for China to be isolated, floating somewhere outside this world.

The Washington Post.

The Burmese People Have Spoken, but Does the Military Hear?

By Josef Silverstein

PRINCETON, New Jersey —

Once again, as they did 30 years ago, the Burmese have said no to the military in a loud and clear voice.

In 1960, after holding power for nearly 18 months, the armed forces organized an election in Burma so that the people could choose a successor government.

It was widely believed at the time that the soldiers in power favored the Stable AFPFL, the party of U Ba Swe and U Kyaw Nyein, which campaigned on a platform of continuing the policies of the military. U Nu, the former prime minister, openly attacked the caretaker government of U Nu Win and courted arrest for his activities. Until the ballots were cast, nearly every observer thought that the Stable AFPFL would win.

The people had a different goal. The party led by U Nu won 52.7 percent of the vote and 157 of the 250

seats contested. His victory, like that of the present National League of Democracy, was nationwide, with support from Burmese and minorities alike. It brought U Nu back to power in a free and fair election.

If history seems to have repeated itself in the recent election, what script from the past, if any, are events likely to follow in the next stage? In 1960, the armed forces promised in advance to restore civilian government as soon as the people made their choice clear at the polls. And it kept its word. The 1947 constitution was in place, and so it was only a matter of installing the new members of the legislature and transferring power to their leader. This the military did.

Today it is not clear what the next step will be. The leaders of the victorious NLD are under house arrest

or in jail. Will the ruling junta allow them to take their place as the new leaders in response to the action of the voters? If the breach between the army and the people is to be healed, this must be the first step.

Will the military insist that those elected on May 27 can do only one job — write a new constitution; and that only after it is adopted in a referendum, and new elections are held under it, will power be passed on? That is what the Burmese commanders said before the vote. Will they insist on retaining power, maintaining martial law and restricting the people by sheer force, or will they accept the vote as one of no confidence in themselves, and hand over to a duly elected civilian government?

In 1946, when the British finally recognized the determination of the

Burmese people to govern themselves, they allowed an executive council of civilians to rule. That council was led by U Aung San, father of Daw Aung San Suu Kyi.

The 1946 model could be repeated today, with the military stepping into the background and allowing the NLD to form an interim government while a new constitution is being written. That would hasten the transition and keep the process orderly.

Finally, will the armed forces now end the civil war against the minorities of Burma? For more than 40 years they have been fighting the Karens and for more than 30 years the Kachins, Shans and others. The war has been socially and politically divisive and economically destructive.

The NLD is on record as favoring peaceful reconciliation with the minorities and a degree of autonomy for them within the federal union. The

minorities, through their leaders and organizations, have said repeatedly that they want to live as equals in peace and harmony in a united Burma. But they have insisted that they must have a say in shaping that union. Will the military call a truce in the war and allow the newly elected leaders to open negotiations with the minorities to find a solution?

The people have rejected the military in the most direct way. They have a right to rejoice in what they have done, although it is only the first step. It remains to be seen if the military was listening and will follow the example of 1960. That would go a long way toward healing the wounds of the past.

The writer, a professor of political science at Rutgers University, is the author of several books on Burma. He contributed this column to the International Herald Tribune.

The German Questions Won't Be Going Away

By William Pfaff

PARIS — So the German question remains without an answer. The Washington summit found it too large and fraught an issue for Mikhail Gorbachev merely to accept what the West proposes: that NATO take Germany over.

Mr. Gorbachev is constrained not only by forces within his society — military opinion and emotions in particular — but also by history. How could he so casually consign united Germany to the West? But what else is to be done with Germany?

The German national question is the central issue now for Europe itself, and has no simple resolution in summit decisions, troop withdrawals, pact memberships. This is the problem: The Federal Republic, a solid, tolerant, politically vigorous democracy, the only solid democracy Germany has ever known, has for four decades been considered by Germans a provisional and transitory political construct, less than totally sovereign.

Its provisionality and transience now will end, and a new and permanent government of all Germany will emerge. Its sovereignty, however, remains incomplete and the status of this united Germany is ratified by the wartime allies, and so long as foreign forces continue to be stationed in Germany without explicit acquiescence by this all-German government that does not yet exist.

The uncertainty and contingency in this situation, which the Washing-

ton summit did nothing to end, lend gravity to the resistance inside Germany to the NATO solution. This resistance exists chiefly among intellectuals, especially, although certainly not exclusively, in the East, but it is of considerable significance.

The mass of East Germans want freedom, prosperity, jobs — simply to join the modern world and escape the squalid one they previously inhabited, of lies and oppression. But most of these Germans are likely also to admit that another issue exists, and they would probably be prepared to have it described as a spiritual crisis.

"Spiritual crisis" is not language used in Washington. It is used in Dresden and Leipzig (and Prague and Bucharest) — and even in Hamburg and Munich. It is a product of the Communist past, to which a spiritual response had to be made, which is to say an individual moral and intellectual response. With liberation comes existential choice. What now is the positive content of the freedom so dearly purchased?

There is, in Germany, a political aspect to this. The provisionality of the Federal Republic in the past discredited it from providing a "spiritual" meaning to German nationhood. The criticism most often made of German unification today is that it provides mere "Mercedes democracy" — spiritually empty.

Most of us might think Mercedes plus democracy, or democracy plus



Mercedes (or BMWs or Volkswagens; let us not be partial), no bad thing at all. To significant numbers of Germans in both East and West it signifies a failure of national vocation, if not a betrayal. (This is what the German terrorism of the recent past was all about.)

There is a deep utopian streak in German thought, a romantic absolutism (which exists elsewhere, certainly, but nowhere else has had so damaging consequences). This today encourages the belief that a peaceful and successful revolution in Eastern Germany — a "political" revolution, or product of one — could result in a new and pure Germany: just, unmaterialistic, neutral in the superpower rivalry.

It has produced a conviction, by some, that this opportunity has been stolen from Germany. Stolen by whom? By the West, by NATO, wishing to extend its reach eastward; by Helmut Kohl, the capitalists — but also, as now seems to be happening, by Mikhail Gorbachev and the Russians as well. A wonderful new Germany, excused from history and nobility by other nations, is stashed in the back at the instant of its birth.

That is one problem. Another is a very practical one. There are German national minorities today inside Poland, the Soviet Union, Hungary, Romania, even some still in Czechoslovakia. Are they or are they not part of the German nation? The answer is not provided by treaties demarcating borders. This, too, is a "spiritual" German issue, as well as a political one. History has demonstrated that practical questions can have large practical consequences where Germany is concerned.

Nearly everything in Europe today revolves around the German issue. This is so in Eastern Europe, where Germany has always been the principal foreign cultural as well as economic influence, in Western Europe, where the future of the Community is at stake, and in Russia, Germany's ancient rival — and victim.

The NATO solution seems the best available because it is uncomplicated

and promises to be effective. It offers security to the Soviet Union. The new Germany remains a member of a stable community of democracies, including the United States, an essential non-European stabilizing force.

The NATO solution, however, even if Moscow accepts it, will not work if NATO remains an organization dominated by the United States. The United States cannot, in the long run, have the leading role in an organization providing all-European security. This is common sense. NATO with a European supreme commander, and the United States in a partner's role, could work. For Washington, the interests at stake are essentially bureaucratic, rather than national.

The CSCE solution, which Mr. Gorbachev seems to want, a new pan-European organization, based in the Helsinki Pact process, is a riskier affair because it lacks definition, has to be created, promises weakness by in-

corporating too many divergent interests, and offers considerable opportunities for confusion and uncertainty on the way from here to there. It nevertheless is a solution reassuring to those Russians who see in Germany's adhesion to NATO a disguised reversal of that victory in World War II which the Soviet people earned at terrible cost.

The Washington summit's failure to resolve the German question illuminates its inherent intractability, and its gravity. There has been complicity in the West about how it would be settled on our terms. We are now only beginning to understand how difficult it may be to settle it on any terms.

My last column, on East European intellectuals, made reference to the Hungarian writer Elemér Hankiss as Peter Hankiss. My apologies.

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100, 75 AND 50 YEARS AGO

1890: Providence Stanley

BERLIN — The feeling aroused here in reference to Mr. Stanley's anti-German speeches has reached a high pitch. The *National Zeitung* says: "The bitterness against Germany in Mr. Stanley's speeches is a matter of supreme indifference to us Germans. The blind zeal which leads the long since Americanized Welshman, Stanley, to believe himself justified in poing all of a sudden as the Providence of England, and his persistency in trying to force on the English public his extremely one-sided view of the right course to take, have, at best, a mere psychological interest for us."

1915: Wilson Note Sent

NEW YORK — President Wilson's new Note to Germany has been sent. The American Government is resolved to maintain its position and has the support of the press and of public opinion. The Note from Germany, cabled by Mr. Gerard, the United States Am-

bassador in Berlin, to the U.S. State Department notifying Germany's willingness to pay an indemnity for damage done to the American steamer *Lusitania*, and explaining that she was torpedoed by mistake, also states that it has been impossible to clear up the question of the dropping of bombs by German aeroplanes on the American steamer *Oswego*, and further information regarding the incident is asked for. The Note says that the ship attacked by German aviators in the vicinity of the North Hinder lighthouse was flying no flag and had no neutral markings. The State Department denies that Mr. Gerard has instructed the American colony in Berlin to be prepared to leave.

1940: Record Navy Bill

WASHINGTON — The Senate today (June 6) sent to the White House a record \$1,492,000,000 naval appropriations bill. Senator Pepper offered a new resolution suggesting President Roosevelt use all his authority to sell planes and war materials to the Allies.

OPINION

Bet on Thatcher to Emerge Victorious Through the Fog

By George F. Will

LONDON — Many Americans, disgusted by presidential campaigns that are coarse and seem interminable, envy what they imagine to be the civility and brevity of British campaigns. However, one experienced and therefore uncathartic Labor member of Parliament predicts that Britain's next campaign, currently getting into gear at least one and perhaps two years before the voting, will have two nasty themes: "She's a bitch" and "They're liars."

The formal British campaigns of a few weeks' duration are just the final sprint at the end of a marathon. Margaret Thatcher's government, which can call the next election to suit its convenience, is already toiling to produce convenient facts, particularly sharply lower interest rates.

Pursuant to her goal of producing property-owning democracy (as nationalized industries were privatized, the

number of persons owning shares of corporations passed the number who are members of labor unions), Mrs. Thatcher encouraged the private purchases of publicly owned houses. More than one million were bought. But many home owners have variable-rate mortgages that originally were at 8 percent and now are at 15 percent.

One reason for the rise of interest rates is German reunification and the surge of demand for capital in Germany and in Eastern Europe. The political ball takes strange bounces: The fall of the Berlin Wall could, so Labor hopes, lead to the fall of Europe's foremost conservative government.

Labor, having issued a new manifesto of impeccable vacuity and brazen evasions, has completed the task of emptying itself of traditional conventions. The prime minister, the model of a "conviction politician," has many dogmas and a manner of propounding them that is, to many, maddeningly familiar. Labor has now committed apostasy against every familiar tenet of its ancient faith (socialism — the mutterable S-word), so this campaign is not going to be pretty.

In democracies, the bitterness of politics often is inversely proportional to the doctrinal differences between the parties. A common acronym here — TBW, That Bloody Woman — recalls Republican asperity referring to Franklin Roosevelt as That Man in the White House.

Labor, having jettisoned convictions, will count on subordinating political judgments to aesthetic judgments. Labor will play to the antagonism that many voters feel toward Mrs. Thatcher's persona as national nanny.

She has, says François Mitterrand, the eyes of Caligula and the mouth of Marilyn Monroe. But discontent with manner may be a weak lever with which to pry this incumbent from power. To the extent that style is the issue, substance is not. It is not, because Mrs. Thatcher is a success, a fact to which Labor's apostasy pays tribute. She set out 11 years ago to destroy socialism and make Britain more wealthy and productive. She did.

However, successful political parties often are undone by their successes. America's Democrats used activist government to create — through subsidized college education and home mortgages, and the infrastructure of suburbanization — a middle-class majority which, in time, decided it could do with less government activism.

One reason Britain's Conservative Party is vulnerable is this: Upwards of 40 percent of the voters in the coming election were not voting in 1979, when Mrs. Thatcher won in "the winter of discontent." That trauma, when even hospital aides and grave diggers were on strike, and unions rather than government seemed sovereign, now seems as distant as Agincourt.

In the 1983 election, Labor lurched left, producing a platform described as the longest suicide note in history. But now Labor has forsworn unilateral nuclear disarmament, confiscatory taxation (the top marginal rate might rise from 40 to 50 percent, but just 11 years ago it was 98 percent), nationalization of the economy's "commanding heights" and re-establishment of untrammeled union power. It even makes rhetorical bows to the market, and this intellectual sunburst: Before wealth can be distributed, it must be created.

By calling Labor liars, Conservatives are poised to have it both ways. They will say that Labor, having at long last abandoned silly socialist principles, is contemptible because unprincipled. Or, if not that, then it is mendacious: Labor does not mean it. Conservatives will say that principles so casually tossed in the dust can be casually plucked up again.

Margaret Thatcher, now in her 12th year at 10 Downing Street, is vulnerable to the volatility that boredom breeds. And another threat to her is the British appetite for political fudge — the preference for soft options, blurred choices, mushy compromises, muddling through. Still, the stricken field of British politics is littered with those, Tory as well as socialist, who underestimated Mrs. Thatcher. The smart money says nanny wins a fourth term.

Washington Post Writers Group.



The three stages of man.

Keep Your Graffiti Off My Forehead

By Richard Cohen

WASHINGTON — Norman Mailer once praised graffiti as urban art. He made his case when graffiti first became a problem in New York and it seemed that subway cars left one station perfectly clean and arrived at the next proclaiming the name of some gang leader in arching swaths of bright paint. Virtual Sistine Chapel ceilings roared out of dark tunnels and came to screeching halts: Juan, Harlem Devils!

This was art, Mr. Mailer and others said. The chassis of the subway cars, often the windows and sometimes the interiors as well, had been decorated, turned into murals. In some cases the total effect was, yes, artistic, the work of unschooled American primitives, like the early portraitists who used to roam the country, lifting the weary faces of plantation wives and endowing the planter himself with an image that matched his self-estimation. Yes. Why not? Art.

Mr. Mailer seemed to be onto something. But something in the back of my mind kept nagging. Yes, it was art. But if the artist could paint the side of the car, if he could get into the car itself, he could also point his spray can right at me and put his name on my forehead.

This so-called art was really intimidating, a rock through the window, a fish delivered in a limousine. It was a message from the underworld: Authority had broken down. The subway rider was no safer than the car itself.

Of course, the term, graffiti, is reserved for scribbles and desecrations, but why not be expansive in its definition? For instance, I consider remarks made to women on the street to be oral

MEANWHILE

graffiti. Women have their own complaints about this sort of thing, although, from what I've read, some of them enjoy at least the milder, complimentary remarks made by stringers about their physical appearance.

But oral graffiti are yet another example of the collapse of public civility. You say what is on your mind no matter how it makes others feel — the particular target or anyone else around. While the remarks are not exactly analogous to the defacement of public places, they do sug-

gest that the person who can at one moment tell some woman what he would like to do with her could, on a similar whim, bust you one in the face — especially if you protest against his big mouth.

I also include the homeless in the category of graffiti. I realize that I am referring to unfortunate human beings, and it is scandalous that not enough is being done to help them. At the same time, they are a civic eyesore, a constant reminder that something has gone awry in society. The block-by-block sight of sprawled human beings, of the deranged, alcoholic and drug-addicted, makes us all callous. After a while, misery becomes routine, a part of the environment.

The plight of the urbanite is that he or she becomes inundated with graffiti of all sorts. You see, or sense, a sort of chaos: graffiti, insults, homeless people or even the routine running of red lights. Each one suggests that a restraint has been broken, a taboo discarded. The mind leaps to chilling conclusions. If the homeless person can hassle passerby, why can't he or she attack you? Once again, outrageous behavior robs us of a sense of security.

The other night I was parked in downtown Washington, dropping a friend off at his hotel. A Jeep pulled up, top down and radio up — the volume seemingly as high as it could go. Three young men, hair pulled back in ponytails, were inside, jumping to the music. The Jeep was like a loudspeaker on wheels. My friend and I had to stop talking. The music was more than intrusive. It was intimidating.

What were these kids saying? Well, it seemed to me that they were announcing their arrival with a kind of musical swagger. But they were also saying that they were going to do what they damn well pleased, and it hardly mattered to them if other people were bothered. Indeed, that seemed to be the whole point. Playing the radio that loudly is an aggressive act. It asks a question: What are you going to do about it? The answer is nothing — not if the police won't.

On the sidewalk a block from my office, a homeless woman, filthy, seemingly dazed and sometimes naked from the waist up, has lain for days, wrapped in a blanket. Singing people bless me and ask for money. Bike messengers zoom within inches of me. I hear men make crude suggestions to women, and people in cars choose my music for me.

Norman Mailer was wrong, and, indeed, he later altered his view somewhat. Graffiti — graffiti of all sorts — are not urban art. It represents the desecration of an even greater work of art: the modern city.

The Washington Post.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

LETTERS TO THE EDITOR

A Premature Obituary

Regarding "Europe Under All? Not Likely" (Opinion, May 23).

Amend to Joel Kotkin when he writes that reports of America's death as the leading economic power are premature.

The Eurosclerosis of the early '80s has given way to Europhoria, and one is as unrealistic as the other. The biggest economic achievement of "Europe" up to now has been the disastrous Common Agricultural Policy, which has meant enormous excess costs for the European taxpayer and consumer, as well as severe damage to Third World agriculture.

Mr. Kotkin cites Jacques Attali, who reflects traditional European left-intellectual attitudes when he says that the United States has become Japan's granary as Poland was for Flanders 300 years ago. As far as I know, Poland was not supplying Flanders or anywhere else with that era's equivalent of Boeings or personal computers or a nuclear umbrella. We may be fairly sure that the PC on which Mr. Attali typed his fatuous notion was not a European or a Japanese one.

The statist and anti-competition ideas of people like Mr. Attali represent the greatest menace to future European strength. Why did the United States broker the deal under which Mr. Attali became head of the new European Bank for Reconstruction and Development?

FRANCIS M. S. PEEL
Geneva.

Claims to the West Bank

The Palestinians have no claim to the West Bank. That area was forfeited in

the 1967 war of aggression and annihilation against Israel that the Arabs lost. As legal heirs to King Hussein, who renounced his (disputed) rights to that area, the Palestinians should sue for peace, as Anwar Sadat of Egypt did when he went to Jerusalem in 1977. They might get a good deal. Why not try? But to claim their "rights"? What rights? Winner takes all.

BERTHOLD WYLER
Geneva.

Service in the Gulf

Of course the Lockerbie disaster was ghastly, and terrorists and associated countries whose responsibility has been proved should be severely punished.

I am, however, puzzled by a dispatch in the International Herald Tribune (American Topics, April 30) about the captain of the U.S. cruiser Vincennes and his weapons officer. They were responsible for the shooting down of a civilian passenger airliner in the Gulf on May 3, 1988, with the loss of 290 lives. It seems that they were not punished or even reprimanded at all. Both were rewarded with the Legion of Merit for their service in the Gulf.

FINN MUNCH-PETERSEN
Copenhagen.

About the Bank of Tokyo

Regarding "Bank of Tokyo's Role as Japan's Financial Envoy Dwindles" (Business Finance, April 30).

This article fails to appreciate that the Bank of Tokyo is a unique institution and to analyze it on that basis.

Instead, it tries to force it into the mold of Japanese city banks.

From its origins as the Yokohama Specie Bank in 1880, Bank of Tokyo has been specifically designed to provide financial leadership for the internationalization of Japan. It has pioneered overseas markets since it began business in New York in 1880 and in London in 1881. Today it exercises its leading role in the private sector for Japan's newly assumed responsibilities as the major creditor nation and one of the largest providers of development aid.

In the past 110 years, the bank has built an unparalleled international financial system with more than 300 offices in 42 nations.

The bank has such deep roots in the key markets of Asia, Europe and the Americas that it has long since diversified from entirely Japanese business to handling a large volume of indigenous business of the host countries and of multinational corporations.

The article missed the synergies between this powerful international system and our strengthening domestic operations. As more Japanese companies become internationalized, more have become Bank of Tokyo customers in Japan. The bank has benefited significantly from this trend by, as the article stated, "simply doing what it was designed to do: focus on overseas business."

The article asserts that "adding more pressure for a merger is deregulation of Japanese bank deposits." As of March 1989, the ratio of regulated interest-rate deposits to total domestic yen-denominated deposits for the top five city banks was 30.5 percent, compared with 10.3

percent for the Bank of Tokyo. Logically, then, the adverse impact of deregulated deposits should be three times greater on other banks than on the Bank of Tokyo.

KENJI YOSHIZAWA,
Resident Senior Managing Director,
Bank of Tokyo Ltd.
New York.

Wheels in Hong Kong

Regarding "Always Blaming America" (Letters, May 17).

Thomas Hui complains of prohibitive import duties and unreasonable restrictions meted out by the Hong Kong government to American-made cars. In fact, Hong Kong, being a free port, does not impose import duties. But because of its narrow, one-lane roads with countless hairpin bends, the import of bulky cars is discouraged through a system of progressively high registration fees. Similarly, there is a license fee that is progressively higher for more powerful engines.

R. van der STEENHOVEN,
Luxembourg.

One Woman's Will

In response to "Taking on the Gun Lobby: Wife of Wounded Reagan Aide Takes Aim and Scores" (May 26).

Perhaps the "weaklings in Congress," as Sarah Brady calls them, can draw on her experience and enact further legislation to regulate semiautomatic weapons. Mrs. Brady is indeed an inspiring example of what the will of one person can achieve against a colossal organization.

TYSON STORCH,
Mainz, West Germany.

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a professor of political gers University, a de of books on Burma lit comment to the last Tribune.



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Feinstein Wins California Democratic Primary for Governor

By Michael Oreskes
New York Times Service

NEW YORK — Dianne Feinstein, the former mayor of San Francisco, has won the Democratic nomination for governor of California in a campaign that was dominated in its final days by dramatic appeals to women voters, according to election returns and surveys of voters leaving polling places.

In the primary election on Tuesday, Mrs. Feinstein became the first woman to win a major party primary for governor of California. In North Carolina, Harvey Gantt, the first black mayor of Charlotte, won the Democratic nomination on Tuesday to run for the U.S. Senate against Senator Jesse Helms, a conservative Republican.

Mr. Gantt became the first black ever nominated to run for the Senate as a Democrat in the South or, as far as it could be determined, by a state Democratic Party anywhere in the United States.

The results came on the busiest primary day of the 1990 political season, as nine states, with nearly a quarter of the U.S. population, held elections on Tuesday.

Mrs. Feinstein, who said that a woman was more reliable in protecting the right to abortion, defeated the California attorney general, John K. Van de Kamp.

He had sought to counteract Mrs. Feinstein's appeal to women by campaigning with Norma McConvey, who as "Jane Roe"

brought the case that led to the 1973 Supreme Court decision establishing a right to legal abortion.

[With 96 percent of the precincts reporting on Wednesday, Mrs. Feinstein had 52 percent of the vote, and Mr. Van de Kamp had 41 percent. The Associated Press reported. Nine other Democrats split the remaining 7 percent.]

Mrs. Feinstein's victory came months after her campaign was all but written off by most political leaders.

Mr. Van de Kamp, conceding defeat in Los Angeles, said that Mrs. Feinstein had hammered out "an extraordinary victory," running a campaign that overwhelmed his.

He told his supporters that he felt like the auto mechanic who was run over by a Corvette and said, "I think my leg is broken, but did you see that car?"

Senator Pete Wilson, a Republican of California and an opponent of the right to legal abortion, won the Republican nomination for governor, setting up one of the most important, and probably the most expensive, electoral contests in the United States this year.

[Mr. Wilson swamped three rivals to capture 89 percent of the Republican vote, The Associated Press reported.]

After his victory, Mr. Gantt told his supporters, "It's a new day in North Carolina."

Only two blacks, both Republicans, have ever served in the U.S. Senate: Hiram Rhodes Revels, who represented Mississippi after the Civil War, and Edward Brooke, who represented Massachusetts from 1969 to 1979.

In recent years, the Republican Party, as part of an effort to appeal to middle-class blacks, has nominated several blacks in unsuccessful attempts to unseat incumbent Democratic senators.

Mr. Helms congratulated Mr. Gantt for his "hard-earned victory."

Mr. Gantt defeated Mike Easley, a district attorney from eastern North Carolina.

The results in the nine states were watched closely as a measure of the public mood on everything from abortion and government ethics to taxes and spending.

The nine states were Alabama, California, Iowa, Mississippi, Montana, New Jersey, New Mexico, South Dakota and North Carolina.

In Iowa, abortion rights supporters were victorious when the state House speaker, Don Avenson, captured the Democratic nomination for governor.

The National Abortion Rights

Action League endorsed Mr. Avenson and vowed to defeat his principal opponent, state Attorney General Tom Miller, an opponent of abortion.

The primary prepares the field for what is expected to be one of the hottest contests in the United States this fall with abortion as a central issue, when Mr. Avenson takes on Governor Terry E. Branstad of Iowa, a Republican and a strong abortion foe.

In Alabama, Governor Guy Hunt, a Republican, won nomination to a second term.

Four major candidates vied for the Democratic nomination in Alabama: Representative Ronnie E. Flippo; Paul R. Hubbert, the executive secretary of the Alabama Education Association; former Governor Fob James; and state Attorney General Don Siegelman.

Interviews with California voters leaving the polls showed that Mrs. Feinstein's supporters were most concerned about crime and drugs, abortion and education.

Mr. Gantt got 59 percent of the vote by combining an overwhelming support among black voters with a solid backing among whites in North Carolina's urban areas.

But an expert on Southern politics, Merle Black, warned that there were hints in Mr. Gantt's primary success of further defections of white voters to the Republicans. Turnout represented only about 17 percent of the electorate.

A Revolt Ends With Approval of Tax Increase

Compiled by Our Staff From Dispatches

LOS ANGELES — California voters have approved the state's largest tax increase ever by doubling taxes on gasoline to pay for an \$18.5 billion freeway-construction program.

Proposition 111, a symbolic end to the tax revolt that began with the passage of Proposition 13 in 1978, was approved Tuesday along with a measure to provide \$1 billion in bond funding for commuter trains. The vote was being closely watched across the country as a measure of the public mood on taxes.

Public opinion polls show that Americans appear to be softening their resistance to taxes, but they have also rejected tax increases in voting this year on school budgets and other referendums.

Proposition 111 would not only clear the way

for a doubling of the gasoline tax — from 9 cents a gallon (3.8 liters) to 18 cents — but it would also loosen the limits on state spending established at the height of the tax revolt a decade ago. Proponents argued that the money could be used to rebuild overcrowded highways and expand mass transit services.

California voters rejected two redistricting measures that would have helped the Republican Party. An ethics-in-government proposition won by a wide margin. And an initiative sponsored by prosecutors to shorten trials, narrow defendants' rights and expand the death penalty, was approved.

In local elections, San Francisco voters approved a record \$332 million bond issue to help pay for repairs from the October earthquake. Voters in two San Francisco Bay area counties

— Alameda and Marin — voted down measures to create or strengthen "nuclear free zones."

Malibu, known for its sun, surf and celebrities, added cityhood to its string of alternative claims to fame. Residents voted to break free from Los Angeles County's direct administration by incorporating as a city.

With 91 percent of precincts reporting, Proposition 111, the highway and rail-building proposal that raises gasoline taxes had gained approval, 53 percent to 47 percent.

Voters defeated by about a 2-to-1 margin two measures that the Republicans hoped would curb the Democrats' ability to use redistricting to maintain or increase their strength in the state legislature and the U.S. Congress. (NYT, AP)

Mexican Party Accused Of Using Public Funds

By Larry Rohter
New York Times Service

MEXICO CITY — For years, voters and opposition parties here have suspected that government funds are routinely used to finance the slick election campaigns of the governing Institutional Revolutionary Party.

Now, for the first time, there appears to be proof of such illegal diversion, and a major political scandal has been set off.

Bank and court records show that more than \$10 million in government money was funneled to the PRI, as the party is known, during the governor's race last year in Baja California Norte. Several officials of the previous administration in the state have been arrested and are awaiting trial, but officials of the new state government have said some records are missing and may have been destroyed.

The matter came to light after the right-of-center National Action Party won the election in the state, which borders California and has a population of 2 million.

The victory for Ernesto Ruffo Appel, who took office in November, was the first time since the PRI first came to power in 1929 that an opposition party had triumphed in a governor's race in one of Mexico's 31 states.

The new administration says that an examination of state documents and bank records found that 251 checks had been issued by the previous government to accounts held in seven names that turned out to be fictitious, as well as to Margarita Ortega Villa, the PRI candidate in the governor's race.

PRI leaders in Mexico City and in Baja California Norte deny that any government funds were illegally channeled to them. They say the PRI received only the small government subsidy that is available to all registered political parties and accuse the opposition of slander.

"The government of the state of Baja California has neither supported nor presented the proof for the accusations it has made," Senator Luis Donaldo Colosio, the national president of the PRI, said

recently. "So this is an accusation that we have described as eminently political."

Mr. Ruffo has said he is acting "with objectivity and respect for the law, in no way motivated by political or electoral considerations."

President Carlos Salinas de Gortari has had no direct comment on the case, though last year he acknowledged the existence of "pockets of corruption" in the state after forcing Xicotencatl Leyva Mortera, the governor at the time, to resign. Mr. Salinas came to office in December 1988 saying that the "era of virtually one party" was over, and he has promised "clean and transparent elections."

The Organization of American States recently warned the Mexican government that "it must comply exactly with the obligation to guarantee the free and full exercise of political rights."

Mexican political analysis said Mr. Ruffo may be reluctant to pursue the Baja California Norte case aggressively for fear of offending the central authorities. Mexican states and municipalities depend on federal funds for most of their budgets, and PRI-dominated administrations have not hesitated in the past to cut back or delay allotments when opposition governments take actions that challenge the party's supremacy.

Mayor Milton Castellanos of Mexicali, who was the head of the PRI state committee in Baja California Norte last year, conceded in a newspaper interview last month that more than half of the \$10 million ended up in his hands, but he maintained no laws were broken.

He described the money as "coming from dues from party members working in the government, which were deducted and given to me."

"It is a revolving fund," he said.

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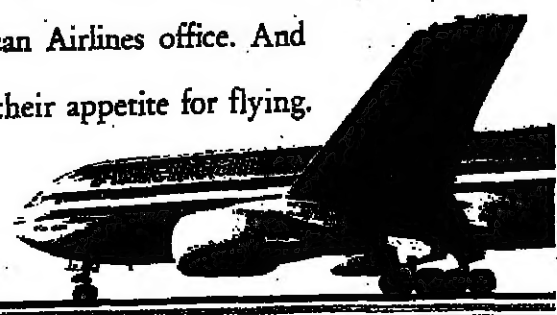
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The Roh-Gorbachev Encounter: How Big a Breakthrough?

By David E. Sanger

New York Times Service

TOKYO — Within moments of the end of his meeting with President Mikhail S. Gorbachev, South Korean President Roh Tae-woo was broadcasting a message of victory back home to Asia, declaring that "the Cold War ice on the Korean peninsula has now begun to melt" and predicting the imminent resumption of diplomatic relations for the first time in 36 years.

But in the ensuing two days, the Soviets put a dramatically different, far less enthusiastic spin on the hastily arranged encounter in San Francisco, treating it more as a first encounter between aspiring business partners than an epoch-making accord between sworn enemies.

Now much of Asia is attempting to figure out which of the two men is right, Mr. Roh or Mr. Gorbachev.

The answer may well be Mr. Gorbachev, at least for the time being.

While few question that the meeting Monday was a historic breakthrough, even some of Mr. Roh's aides admit privately that its

substance fell short of the fevered build-up it was given at home, where Mr. Roh is trying to reinvigorate his popularity amid an economic slowdown and mounting problems with a new political coalition that he has put together with two longtime opposition leaders.

For two years Mr. Roh has bet that mounting economic ties with

NEWS ANALYSIS

the Soviets — bilateral trade doubled last year, but still amounts to a somewhat paltry \$600 million — would slowly draw political concessions from Moscow, further isolating the North Korean regime of Kim Il Sung.

The strategy is a complete reversal from the days when South Koreans were jailed for consorting with Communists. But it is too early to tell if it is truly working.

A senior Japanese diplomat with long experience in Asian affairs said Wednesday that while he viewed diplomatic relations between Moscow and Seoul as inevitable, Mr. Gorbachev knew that he "could not walk away from the

basic tenets of his relations with North Korea."

And the Soviet leader, he and others suggest, likely sees an opportunity to extract more of that trade and investment the longer he keeps Seoul waiting.

"The South Koreans are reading what they want into whatever transpired," Han Sung Joo, a Korea University professor of political science, said Wednesday in Seoul, discussing how eagerly the South Korean news media have soaked up Mr. Roh's version of events.

Moreover, Mr. Han said, the Soviets sensed South Korea's eagerness to demonstrate that Mr. Roh had usurped the North's biggest ally and source of funding, and Gorbachev refused to walk into that.

"They know what we want, and that we want it so badly," he added, referring to the longing of Mr. Roh, a former general, to establish himself as the man who ended 40 years of antagonism between Seoul and the Communist world.

The South's announcement last week that Mr. Roh and Mr. Gorbachev would meet clearly left the North somewhat stunned.

Up until hours before the meeting, the North Korean government news agency offered doubts that the leader of its biggest ally would meet with the leader of its biggest opponent at all — a view fostered by the fact that Soviets did not announce it.

"Our best information," a Western diplomat in Tokyo said, "is that the Soviets never even told the North in advance."

That would be consistent with recent signs of increasing strains between North Korea and the Soviet Union, including the expulsion of a Soviet reporter in Pyongyang and differences over opening the North to nuclear inspections.

Nonetheless, one of Mr. Roh's close aides, Hyun Hong Choo, newly appointed as Seoul's ambassador to the United Nations, said he understood that Mr. Gorbachev was "not in a mood to advertise" his approaches to the South.

"They wanted to downplay the thing," he said. "They don't want to make an ally angry unnecessarily. But the very fact that the meeting took place cannot be denied, and that has a symbolic meaning."

Most close observers expect a

freeze on the sporadic North-South talks that, along with gradually mounting trade with the Soviets, have been the centerpiece of Mr. Roh's post-Olympics "Nordpolitik."

"Everything will stop for a while," said a senior Japanese diplomat who has been following the approaches each side has made to the other. "North Korea has to reach for some Buddha's enlightenment to cope with the realities of the world."

Others are not so sure. North Korea has been one of the few Soviet allies to show no signs of a democracy movement; news is so controlled that it is hard to know if North Koreans have heard of happenings along the Berlin Wall.

Soviet news reports have not contradicted Mr. Roh's assertion that relations will be restored, but rather have put the possibility of formal relations in the context of a general improvement in the region and between the two Koreas.

Mr. Gorbachev was quoted Tuesday by Tass, the official press agency, as saying that diplomatic relations "may arise as bilateral ties develop and in the context of the

general improvement of the political situation in the region and on the Korean Peninsula."

So far, however, the South Koreans have been so ebullient about the meeting that they have hardly taken notice of the Soviet Union's efforts to play down the meeting. Newspapers in Seoul, and elsewhere in Asia, have heralded a fundamental change in the post-Korean War order, and are already filled with news of fisheries agreements and joint ventures.

In a rare sour note, the English-language Korea Times noted Wednesday that Mr. Gorbachev had not attended a press conference after his meeting with Mr. Roh and had issued statements that made no reference to South Korea. The Soviet president, the newspaper suggested, "was not faithful to the protocol worthy of a 'historic summit.'"

Mr. Gorbachev, the newspaper said, kept Mr. Roh waiting for an hour and then treated him "as if he was a private economic patron and not the head of state who had flown thousands of miles to confer on crucial matters of mutual concern."

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Pregnant Women Advised To Gain 25 to 35 Pounds

WASHINGTON — A committee of experts on Wednesday recommended a weight gain of 25 to 35 pounds (11 to 16 kilograms) during pregnancy to reduce the risk of a low birth-weight baby without adversely affecting the health of the mother.

The committee of the Institute of Medicine, a part of the National Academy of Sciences in Washington, added that normal women eating a balanced diet required no vitamin pills during pregnancy except for a low dose of iron daily. The panel's views update a similar report issued 20 years ago that suggested a weight gain of 20 to 25 pounds during pregnancy.

The panel's recommendations are based on new evidence indicating that weight gain, particularly between the fourth and ninth months of pregnancy, is an important determinant in fetal growth. Too little weight gain has been linked to infant death and retarded growth.

The panel said underweight women should try to gain even more, 28 to 40 pounds, and overweight women should limit their gain to 15 to 25 pounds. Even obese women should put on at least 15 pounds, it said.

Bush and Roh Reassure North Korea

By Don Oberdorfer

Washington Post Service

WASHINGTON — President George Bush and President Roh Tae-woo of South Korea assured Communist North Korea on Wednesday that the new Moscow-Seoul relationship does not preclude a security threat to the heavily armed regime in Pyongyang.

"The United States reaffirms that it is not a threat to North Korean security, and we seek to improve relations with that country," the White House spokesman, Martin Fitzwater, said at the Bush-Roh meeting.

A South Korean spokesman said Mr. Roh had asked President Mikhail S. Gorbachev of the Soviet Union at his meeting on Monday in San Francisco to pass along assurances to North Korea.

"We do not seek military super-

iority over North Korea, and we have no intention to attack North Korea," the spokesman quoted Mr. Roh as having told Mr. Gorbachev.

Mr. Roh met with Mr. Bush two days after meeting Mr. Gorbachev in San Francisco.

The South Korean spokesman said there was concern about North Korea's reaction to the meeting of Mr. Roh with the leader of the Soviet Union, historically a staunch ally of North Korea. Mr. Bush and Mr. Roh agreed that there is "a real threat" from North Korea, the South Korean spokesman said.

"The North Koreans are quite worried and angry after this meeting," the aide to Mr. Roh said. That is why Washington and Seoul are repeating that there is "no aggressive intention" in the new relationship, he added.

Mr. Roh also asked Mr. Gorbachev to convey to Pyongyang his desire to meet with President Kim Il Sung of North Korea to restart the stalled North-South peace process. Mr. Roh also told Mr. Gorbachev that South Korea was ready to assist the North in opening up to the outside world, the spokesman said.

Mr. Gorbachev gave a positive but nonspecific response, according to the South Korean spokesman. He quoted the Soviet president as telling Mr. Roh "positive settlement of the Korean issue is desired. We have been working for this."

Mr. Bush, who told reporters

that the Roh-Gorbachev meeting was "very important," reiterated his "strong support" for Mr. Roh's policy of expanding ties with the Communist world, according to Mr. Fitzwater.

The White House spokesman said the United States seeks "a reciprocal process of improved relations" with both South Korea and North Korea. However, he added that "the pace and scope" of any improvement of U.S.-North Korean ties would depend on North Korea's actions.

Specifically, Mr. Fitzwater called on Pyongyang to complete the arrangements for international inspection of its nuclear facilities, as called for by the Nuclear Non-proliferation Treaty.

China Protests Shot in Hong Kong

HONG KONG — China said Wednesday it had complained to Britain over the firing of a bullet at its diplomatic mission here during the first anniversary of the June 4 suppression of the Beijing pro-democracy protests.

"This is a very serious matter," said Zhou Nan, the local director of the Xinhua news agency, which is Beijing's de facto consulate in the British colony. "The Chinese government has solemnly raised the matter with the British government. We will watch developments with grave concern."

The agency called police on June 4 after a hole was found in a window of the unoccupied 11th floor of its new office building. No one was injured.

Asked about the shooting, the governor of Hong Kong, Sir David Wilson, said "any sort of violence" was to be deplored.

The acting secretary for security, Ian Strachan, said the incident was being treated "as a matter of urgency," adding that any political motive behind the attack would be investigated.

A police spokesman confirmed the shooting, which he said was believed to have occurred between June 1 and 4. He declined to elaborate, but said police ballistic experts were studying the case.

Police said they were checking whether the shooting was linked to a similar case involving a nearby residential building in December.

Some Xinhua officials said they believed the shot was fired on Sunday or Monday during huge anti-Beijing demonstrations in the colony, which is due to revert to Chinese rule in 1997.

The agency has been the focal point for protesters mourning those killed in the crackdown. Political activists have set wreaths, funeral banners and a memorial altar outside Xinhua headquarters since the weekend.

More than 100,000 people took part in a Sunday protest march that ended outside the agency.

Warsaw Pact's 'State of Crisis'

Hungary Wants Swift Changes and Dismantling by '91

By Celestine Bohlen
New York Times Service

BUDAPEST — On his way to Moscow to attend a Warsaw Pact meeting, Prime Minister Jozsef Antall called Wednesday for the abolition of the military alliance by the end of 1991 and, more immediately, for the dismantling of those parts of the treaty that violate the "sovereignty" of its seven member countries.

At a news conference held jointly with the Finnish prime minister, Harri Holkeri, Mr. Antall said the abolition of the Warsaw Pact as a military organization should not depend on the concurrent dismantling of the North Atlantic Treaty Organization.

"The Warsaw Pact, due to processes ongoing in Central Eastern Europe, is in a state of crisis," Mr. Antall said. "At NATO, we cannot see any phenomenon of this kind."

He said his concern about sovereignty principally involved control over armed forces, in particular, the use of the Hungarian Army outside its borders, the deployment of other armies inside Hungary's borders and other issues involving national defense.

The Soviet Union has already agreed to withdraw all troops from Hungary by mid-1991, following a timetable similar to one negotiated with Czechoslovakia. At the peak, there were 55,000 Soviet troops stationed in Hungary.

Resisting domestic pressure for a more immediate withdrawal from the Warsaw Pact, Mr. Antall said the alliance should not be dissolved until a careful review of national and international obligations was completed. That review should take place within the framework of a new European security system, based on both the 35-nation Conference on Security and Cooperation in Europe and a Vienna treaty

Joe Loss, 80, Bandleader And Dance Hall King, Dies

LONDON — The bandleader Joe Loss, 80, one of the kings of the ballroom dance era, died of kidney failure Wednesday in a London hospital, his publicist said.

Mr. Loss's soft-spoken manner and easy-to-dance-to music won him millions of fans, including the British royal family who frequently engaged his band to play at royal balls.

Mr. Loss, whose father was a cabinetmaker in London's East End, trained as classical violinist. He began his career accompanying silent films in the 1920s but soon formed his own dance band.

He began broadcasting in 1934. He had a major hit in 1936 with his recording of "Begin the Beguine," which sold a million copies. His signature tune "In The Mood" sold another million.

Mr. Loss also gave a start to many aspiring stars, including the singer Vera Lynn, who became Britain's "Forces' Sweetheart" in World War II.

Jack Gifford, 81, Actor and Comedian

NEW YORK (NYT) — Jack Gifford, 81, the actor and comedian

DEATH NOTICE

ISLEY, DARRYL E.

died peacefully of heart failure in London May 25, 1990. Will be mourned by countless loving friends worldwide. A service will be held in London at St. George's Church, Hanover Square, June 25. An additional service will be held in New York in the summer.

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France's Economic Muscle

With Space to Grow, Paris Sees Airport As a European Hub

By John Phillips

PARIS — Planners at the French capital's airport authority believe Charles de Gaulle Airport is ripe for development as a hub for air, rail and road transport among European capitals as 1992 draws closer.

A major element of their vision should get under way by the end of this year when the entity, Aéroports de Paris, together with the state-run railroad company, Société Nationale des Chemins de Fer, is to put out a contract tender for construction of a terminus to house a new high-speed train à grande vitesse (TGV) rail link at Charles de Gaulle-Roissy, according to Jacques Reder, Aéroports de Paris spokesman.

"At Charles de Gaulle we have the capacity to welcome 80 million or even 100 million passengers," he said. "It is a great chance for France to develop our airports, traffic and transport installations."

The TGV station will be located between the airport's second and proposed third terminals (CDG 2 and 3) and connected to CDG 1 by an automated transit system. The TGV rail link is expected to operate up to 40 services daily from both inside and outside France by around the beginning of 1995.

A third of the station will be financed by the Aéroports de Paris and two-thirds by the SNCF. The present RER high-speed regional express service station at Charles de Gaulle will be moved to interconnect with the TGV link, Mr. Reder said.

A fourth building at the airport's second passenger terminal (CDG 2) is scheduled to be in operation by 1992 at an estimated cost of 800 million francs (\$140.3 million) as part of Aéroports de Paris's investment program of 9

billion francs for the period 1990 to 1995, Mr. Reder said.

The French company Bouygues has been awarded the contract for the fourth building at CDG 2, building C.

The third building at CDG 2 was constructed by the French concern Dumez. Half of it was put into service in 1989; the other half is to be opened in 1991.

The proposed TGV link with the airport will enable passengers to travel by rail uninterrupted, for example, from Bordeaux to Charles de Gaulle in 3½ hours, saving at least 45 minutes on current schedules and eliminating the stress of waiting for a taxi or a bus at the Paris Gare Montparnasse, Mr. Reder said.

"With the TGV, the passenger will arrive 100 meters from Aéroports de Paris 2 and Aéroports 3. A people mover, a small driverless Métro train, will be installed to take him to Aéroports 1."

As the high-speed train networks develop, planners at Aéroports de Paris's 300-member Studies Office hope Charles de Gaulle will become a hub for traffic from France, Belgium and Germany as well as Britain, capable of carrying up to 80 million passengers.

Users of Charles de Gaulle traveling by road will benefit from improvements to the A1 expressway, which is scheduled to be completed in 1991, and from new connections to nearby towns to be opened in 1994.

Some 4,000 extra parking spaces are to be built at Charles de Gaulle and Orly over the next three years, under the investment plan.

Work is under way at Orly to adapt the second and third halls to the needs of larger aircraft.

Traffic at the two main Paris airports, Orly and Charles de Gaulle, together increased by 10.5 percent in 1989 to 45 million pas-

Continued on page 12



Despite its high-tech industries, France's image is still tied to its prestige products.

LUXEMES

Selling Glitter to World Gets Tougher

Special to the IHT

PARIS — After a decade of phenomenal growth, the French luxury goods industry faces tough challenges in the 1990s in an increasingly competitive global marketplace for prestige products.

Major French exporters of luxury goods will be seeking to consolidate their positions in traditional European markets as well as the United States. The principal growth markets, however, will be in Japan and in Southeast Asia, where newly affluent middle classes are actively seeking status symbols reflecting their prosperity.

In spite of its somewhat frivolous image, the luxury goods industry is a big and highly profitable business, attracting ambitious and creative individuals as well as investors looking for a sector with growth potential.

"Luxury is for France what electronics are

for Japan," said Christian Blanckaert, president of Comité Colbert, the French trade organization encompassing 70 of the leading companies in the sector. Indeed, luxury goods are France's second largest export earner, behind agro-business but ahead of defense.

Cognac exports alone represent some \$1.3 billion, the equivalent of 30 Airbuses. The fashion and accessories industry, for example, derives 80 percent of its annual \$4.5 billion revenues from exports.

If Paris remains the mecca of the luxury goods industry, competition is softening from traditional prestige companies in Italy, as well as relative newcomers in the United States and Japan.

"If the Italians, with their creative flair, have a strong position in the fashion business, Americans are strong in perfumes and wines," said Mr. Blanckaert. "The Japanese

are making great strides, too, particularly in cosmetics and fashions."

Nonetheless, only France has such a wide and diverse array of luxury goods concerns, covering the entire range of prestige products. "The French try to play up their high technology industries, but in many ways the traditional image of France as a producer of fashions, perfumes and champagne corresponds to reality," said a French analyst.

A prestigious name and image is no longer sufficient in the battle for global market share. Companies also badly need creativity and modern management and marketing techniques to assure their future. This should spur further restructuring of the French luxury goods sector in the 1990s as companies attempt to sharpen their competitive edge.

"Today, big groups are necessary for they are the only ones with sufficient financial

Continued on page 12

Companies Rush To Globalization

Beefing Up for Competition

By Howard Schissel

PARIS — French companies are flexing their muscles on the international scene in an unprecedented drive to rapidly attain critical mass, broaden their geographic base of operations and diversify activities as the countdown draws near for the single European market.

"This drive to achieve heavy-weight status and globalize activities has become a veritable obsession with senior French executives," said Paul Goldschmidt, manager at the Paris office of consultants, Bain & Co.

French corporate ambitions stretch beyond Europe. If a bevy of French companies has been on a shopping spree in North America, only the most intrepid are venturing into the Asian arena.

Part of a sweeping corporate restructuring effort, this investment thrust abroad reflects the feeling that French companies are at a distinct disadvantage in a climate of intensifying world competition. Indeed, few really have a global reach or a dominant position in their core market.

By the same token, corporate leaders reckon that exports alone are not sufficient to ensure penetration of new markets. "It is through acquisitions that French companies hope to make up for lost time and become serious contenders," said Mr. Goldschmidt.

Underlining this French "inferiority complex" are stark figures. In Europe, West German and British counterparts are respectively 65 percent and 55 percent larger. American and Japanese corporations tend to dwarf their French rivals.

It is not surprising, then, that external growth is the linchpin in the strategy of major French companies for the 1990s. A recent Bain

survey of 300 leading French business groups revealed that acquisitions were their No. 1 priority, above research and development and expanding existing operations through internal growth.

In fact, between 1988 and 1992, French managers felt that acquisitions would account for 75 percent of their growth, two-thirds of which would be outside France. By 1992, foreign output for the top 300 companies in France is expected to climb from 18 percent to 24 percent of total turnover.

This stampede for heavyweight status meant that French companies were again champions in 1989 for cross-border acquisitions. According to Translink's European Deal Review, French companies made 168 foreign deals last year worth 9.7 billion ECUs. 50 percent more than either West German or British firms.

The private sector has been able to tap capital markets to fuel its overseas expansion and dip into record profits — France's top 50 companies chalked up earnings in 1989 totaling 102 billion francs (\$18.2 billion).

Firms in the public sector have been even more active in acquisitions. Despite their limited access to capital markets, some sophisticated financial engineering has allowed them to mobilize funds to fulfill their international ambitions.

They have been encouraged by the French government, even allowing assets of the aluminum and packaging firm, Pechiney, to be partly "privatized" through the flotation of preference shares in Pechiney International, an entity comprising the group's foreign operations.

Moreover, Rhône-Poulenc issued a new type of nonvoting participating shares with warrants, while the unprofitable Compagnie

Continued on page 12

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France's Economic Muscle / A Special Report

Franc Declares Independence And Seeks Larger EMS Role

By Brian Martin

PARIS — The foreign exchange and bond markets' concern over German economic and monetary union has, to a large extent, forced a re-evaluation of the individual currencies within the European Monetary System.

With the exception of the Dutch guilder, most member currencies have demonstrated some degree of independence from the Deutsche mark, while the French franc, the second most important currency in the system, is poised to play an enhanced role in the Exchange Rate Mechanism of the EMS over the coming years.

Therefore, Finance Minister Pierre Bérégovoy's assertions that

the franc must now be seen as independent of the Deutsche mark must, to some extent, be believed. Recent interest rate cuts by the Bank of France indicate this new-found independence. But, while the franc remains at a discount to its central rate against the Deutsche mark, it is apparent that the market is not yet convinced by Paris's bid to have the franc seen as a truly hard currency. Indeed, the franc looks set to trade within a 3.40 to 3.36 or 3.35 range against the Deutsche mark for the foreseeable future, with the central bank likely to take the opportunity to cut interest rates once the currency reaches the top of this band.

Meanwhile, any talk of a French franc devaluation within the EMS this year appears to have evaporated. The present lack of

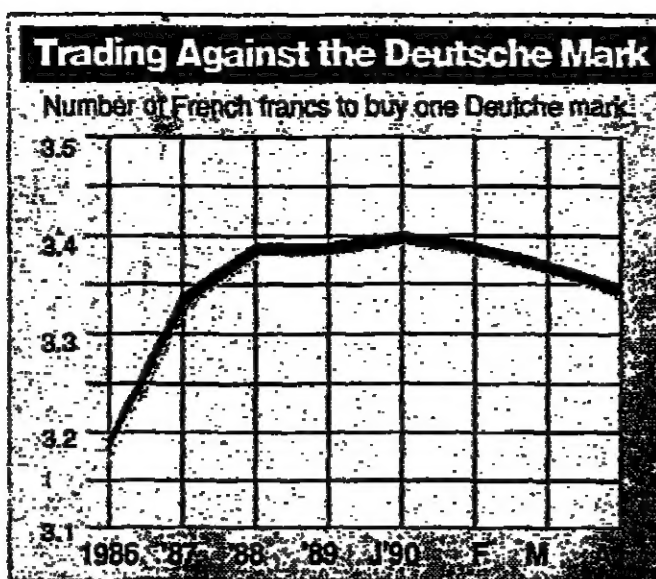
evident pressures within the Exchange Rate Mechanism of the EMS, the moderately weak stature of the Deutsche mark and the better than expected performance of the French economy this year support this view.

Earlier arguments that the franc might have to devalue within the EMS hinged on structural problems related to the trade deficit and unnecessarily high interest rates, which would have affected growth. However, instead of weakening, early May of this year saw the currency rise to its highest level against the Deutsche mark since October 1987, before falling back on Bank of France interest rate cuts, especially the one on April 26, and President François Mitterrand's poor showing in the opinion polls.

Additionally, there appear to be few external factors that could radically alter the position of the franc within the system. The British pound is unlikely to enter the Exchange Rate Mechanism of the EMS at too low a value, while economic union in Germany is likely to bolster French growth — currently, 16 percent of French exports go to East and West Germany. With domestic fundamentals also expected to remain intact — the current account deficit is unlikely to exceed 1 percent of gross domestic product — the currency should regain some of its recent lost ground over the coming months. Linger uncertainty over German economic and monetary union should also work in the franc's favor, while the bond market is likely to remain one of the most preferred on a European basis.

So, apart from German reunification, why is it that opinion on the franc has altered? The answer is probably fourfold.

First, despite recent interest rate cuts, Paris's mix of prudent fiscal and tight monetary policies has



Source: Reuters

International Herald Tribune

reduced inflationary expectations within the economy while growth has remained strong. This year, the budget deficit is targeted at 90 billion francs, down 10 billion from 1989. Monetary growth is also under control. In March, M-2 money supply growth rose by an annualized 2.6 percent against a target range of 3.5 to 5.5 percent, and down from 3.5 percent in February. GDP growth, on the other hand, is likely to be between 3 percent and 3.5 percent this year, little changed from 1989's 3.7 percent rise.

Secondly, the trade position has not deteriorated in the way that many had predicted. Between January and April of this year, there has been a cumulative deficit of 6.7 billion francs, down from 8.6 billion in the same period of last year. INSEE, the French national statistics institute, forecasts that the trade deficit for all of 1990 should drop to 42.1 billion francs, down from 45.7 billion last year as the deficit on manufactured goods improves. But some economists remain skeptical over the development, citing lower import prices due to franc strength as the primary reason for the improvement.

Third, the political situation in France is arguably one of the most stable in Europe at the moment and is likely to remain so for the foreseeable future.

Fourth, due to the relatively high rate of unemployment (March data show unemployment at 9.4 percent), unit labor costs are likely to remain well under control although they might rise from their present negative position. Combined with the tight fiscal and monetary policies, this will ensure that French inflation will remain close to 3 percent per annum this year, one of the lowest in Europe. For France, therefore, the opportunity for competitive gains looks good.

"France's performance is all the better compared with its neighbors because inflation worldwide is tending to accelerate at the moment," according to INSEE. "Inflation in our main trading partners is hovering around an average annual 4.7 percent." For the fiscal year ended in April, French inflation rose 3.2 percent.

But within the framework of the EMS, this does not mean that France has the scope to lower interest rates that much further. If Paris and the franc are to play an enhanced role in the stability and development of the EMS, the Bank of France will have to play close attention to the external value of the franc.

BRIAN MARTIN is the editor of *EuroMoney's Treasury Report*.

Bourse Fever Cools Down

By Jacques Neher

PARIS — After a surge of international money sparked a run-up in share prices earlier this spring, the Paris Bourse appears to have run out of steam.

Despite continuing strong economic fundamentals underlying French stocks, analysts believe the market has little upward potential in the months ahead. They point to worries over interest rates, a rash of new capital-raising issues that they predict will drain the domestic market of cash, the retreat of foreign investors who have found greater pastures, and a sharp fall in takeover action.

Adding to this environment are new fears, stoked by President François Mitterrand, of a hike in the capital gains tax. Mr. Mitterrand, believed to be seeking a turnaround in his sagging popularity ratings by returning to his socialist roots, has proposed tax penalties for real estate speculators, "those who enrich themselves by sleeping."

Such talk chilled Bourse professionals, who feared that stock market gains could be next on the president's hit list. As a result, the market slumped, the yield on 10-year government bonds rose and the franc came under new pressure.

"I see the Paris market trading sideways for some time to come," said Iain Purnell, a French market analyst with UBS/Phillips & Drew in London.

"This is a market without a trend," added Philippe Tannenbaum, analyst with Paris broker Goy-Havette. "People are watching their stocks. When they gain, they take their profits and then wait for the next opportunity. In a situation like this, the market could end up either up or down 10 percent by the end of the year."

Indeed, over the past month, the CAC-40 blue chip trend index has vacillated between 2,050 and 2,120 in tight trading, while the broader

SBF-240 index has yo-yoed between 545 and 565.

That performance represents a marked contrast to April, when the CAC-40 broke a string of records, ending the month up 5 percent. Trading volume in the month soared more than 40 percent.

Despite the April run-up, for the first five months, the Paris market had gained only 1.4 percent.

Driving the April surge was a flood of investments from large

Foreign investors jumped into the market, then out.

international institutions, much of it from American pension funds, that had built up large positions in German "perestroika plays" and suddenly decided it was wise to pull back from those then-inflamed markets. Wishing to keep their money in Europe — "the most attractive place to be for the next decade," according to one London fund manager — they all piled into the French market.

Analysts say the foreign investors, needing to shift their money on technical grounds, considered Paris a safe haven because of its strong economic fundamentals.

"The French economy is doing quite well," said Guillaume Sautel, a trader with DLP/James Capel in Paris. He pointed to projections for 1990 that call for gross domestic product growth of around 3.2 percent, capital spending increases of 10 percent, inflation of around 3 percent and corporate earnings growth of 10 percent to 12 percent.

Although the economics have not changed, the foreigners quickly lost interest in Paris once their portfolios were rearranged, turning their interest instead to Wall Street, Tokyo and London, which have all soared over the past

month. Opinion is mixed as to if and when they will return to Paris.

Meanwhile, the market is left to the French, who continue to be fearful of an increase in already high interest rates.

"The market is very fragile," said Mr. Tannenbaum. "At the least bad news on interest rates, the market could plunge."

Analysts also point to a liquidity problem. Although an estimated 30 billion francs to 60 billion francs (\$5.2 billion to \$10.5 billion) is expected to be paid out this spring in dividends by French companies, most of it will be in the form of new shares instead of cash. And many of those who elect to receive cash are expected to invest it in the money market, currently yielding around 10 percent.

Already, the money market has increasingly turned into a major competitor for the Bourse. In the first two months of 1990, close to 70 billion francs were pumped into 316 money market mutual funds and the recently introduced PEP savings plans, some of which are guaranteeing full-year returns of more than 9 percent, have already soaked up an additional 16 billion francs.

Further, market professionals see a string of major capital-raising issues coming on the market this summer that they fear will absorb whatever cash is left floating around on the market.

A juicy takeover bid or two could help ignite the market, as they have over the past few years, but Bourse professionals are not holding their breath. They say the prospect for a hostile takeover is now quite slim, particularly after the crushing defeat suffered last fall by unfriendly 26.2-billion-franc bid for Navigation Marse, the transportation, food and insurance conglomerate.

JACQUES NEHER is a financial journalist based in Paris.

Shadow of Government Still Looms Over Banking Sector

By Gary Humphreys

PARIS — The French banking sector, gearing up for participation in the European single market, is being hampered by a tradition of centralized, government-administered finance.

Olivier Robert de Massy, direc-

tor of research at the French Bankers' Association (AFB), has no doubt about the urgent need for change. "We talk about a single European market in banking," he said, "and we don't even have a single French market."

The most obvious distortion concerns the status of specialized credit institutions such as the giant Caisse de Dépôts et Consignations

(CDC) with assets of around \$228 billion, which centralizes the deposits gathered through the French savings bank network. In return for its commitment to finance low-cost housing, among other things, the CDC is authorized to attract deposits with its passbook A, which pays 4.5 percent tax-free.

Credit Mutuel, another institution with special status, offers its "Blue Book," which pays the same rate. "Since the war, these special-status institutions have had access to cheap sources of liquidity," said Mr. de Massy, who argues that the banking sector suffers as a result.

Since 1982, the leading French banks have followed a policy of shedding excess labor to get lean for the coming European market. BNP, the leading AFB bank, has been reducing its workforce by 2 percent per year; Crédit Lyonnais is also shrinking its workforce at about 1 percent per year. Crédit Mutuel is the only credit institution in France that continues to open new branches and to increase the number of employees.

"If they had to compete on equal terms, they would be reducing their workforce like the rest of the banks," said Mr. de Massy.

While special-status institutions make it harder for the French banks to attract deposits at competitive rates, other government fiat reduces profitability. France is the only country in Europe where banking services such as checks are free of charge even though the processing of check payments represents 50 percent of the banks' costs.

The reverse side of this problem is that the French banks cannot afford to remunerate sight deposits. "As long as we cannot charge on checks, there will be no question

of remuneration," said Mr. de Massy.

Less easy to gauge is the effect of political control on the ability of the French banks to compete on the European scene. There are clear examples of European moves being blocked because a bank was owned by the state.

Daniel Lebeque, a director at BNP, expressed worry that a flight of capital would take place once the barrier came down.

This appears not to have happened, partly because the French

of remuneration," said Mr. de Massy.

Less easy to gauge is the effect of political control on the ability of the French banks to compete on the European scene. There are clear examples of European moves being blocked because a bank was owned by the state.

Credit Lyonnais, for example, under its former president, Jean-Marie Leveque, was keen to

resort to instruments such as non-voting shares to boost their capital. These have not been a resounding success. BNP's non-voting shares, for example, have underperformed the market by 30 percent since their issue in 1986.

Credit Lyonnais managed to boost its capital base by calling on the CDC to take a 1.5 billion-franc stake in the bank, a stake which, it is rumored, the CDC was not particularly keen to hold. At the same time, when one considers that the principal resource of the CDC is cut-rate, government-protected savings, one can understand the anger of banking professionals. Why not let Crédit Lyonnais call on the market directly, instead of siphoning off funds from unwitting depositors?

Finally, the effect of years of state influence may be even more pernicious as far as banking strategy is concerned. This has to do with mentality rather than structure.

As one professional put it: "The banks are only just beginning to understand what a strategy is." BNP has taken an indicative step in this area by appointing Michel Vaquin as director of strategy. Mr. Vaquin has been imported from the manufacturing industry in the hope that he can bring a different viewpoint to the bank.

However, according to a source who asks not to be named, Mr. Vaquin is finding it tough going at the bank. "He speaks a language that the others do not understand."

GARY HUMPHREYS is a financial journalist based in Paris.

There are clear examples of European moves being blocked because a bank was owned by the state.

tax authorities have been waving their big stick at anyone considering avoiding taxes at home. Another reason for the relative viscosity of the domestic savings is the success of the French fund industry, which represents half of the European total. With products such as short-term money-market funds, the French banks have been able partially to compensate for their lack of remunerated current accounts.

However, funds attracted in this way differ from ordinary deposits inasmuch as they do not appear on the banks' balance sheet, and so do not have a direct impact on their capacity to lend. Banks can sell their certificates of deposit to the funds, but this is only a partial solution to the problem. It is likely to be a while before remunerated accounts appear in France.

"As long as we cannot charge on checks, there will be no question

move into the private sector and had made plans to exchange shares with the German giant Commerzbank as soon as the sale went ahead. In the event, the bank stayed in the state sector and the deal was scrapped.

As William Vincent, a European banks analyst at UBS/Phillips & Drew in London, points out, "Foreign partners looking for close links with a French bank would be likely to ask themselves if decisions were going to be taken for business reasons or for political reasons."

Another obstacle to European expansion for banks remaining in the state sector concerns their capitalization. According to the IBCA, a London-based credit rating agency, both BNP and Crédit Lyonnais comply with the Cooke ratios, but only just. Unable to call on the private sector for equity increases, these banks have had to

Business Figures Add Up to Confidence

Special to the IHT

PARIS — In April, the OECD annual report on France confirmed the positive view taken by the French economic institute INSEE and private-sector sources such as Paribas, which published its April report on the economy under the title "La France Sans Complexes."

The OECD report forecast gross national product of around 3 percent for the next two years, down from last year's 4.1 percent, but "less pronounced" than the decreases forecast for the rest of Europe.

At the end of the first quarter, the trade deficit had dropped to a monthly average of 700 million francs (\$123 million). From November 1989 to March 1990, the monthly average was around 1.4 billion francs, compared with almost 4 billion francs monthly in the preceding 12 months. A large part of this decline is explained by the appreciation of the franc against the dollar, yen and pound.

However, economists at INSEE warned that first-quarter figures were also affected by the fall in oil and nonferrous metal prices as well as by the unusually high grain exports and by the strike at British Aerospace, which distorted figures for the Airbus consortium. British-made parts were not imported during the period, while the sale of aircraft completed in France continued. The following months will see this movement inverted as parts come into the country and fewer aircraft (the delay in parts delivery will slow down manufacture) are exported.

The trade figure for April (a 4.31 billion-franc deficit) marked a return to last year's levels. Nevertheless, it is widely believed that France's trade performance has reached a turning point. INSEE estimates that the cumulative first-half deficit will be in the region of 10 billion to 15 billion francs. This figure was revised down from 25 billion francs forecast at the beginning of March. The Commission des

Comptes is forecasting a deficit for 1990 of around 42 billion francs, compared with 44 billion francs in 1989.

IN THE short term, production is disappointingly low and is being surpassed by buoyant internal and external demand. Foreign demand is forecast to increase by 8 percent in the first half, 2 percent higher than originally estimated. The main sources of external demand are West Germany, the United States and the United Kingdom.

For the time being there is no overheating. INSEE believes that this is because accumulated stocks, which many industrialists consider high, are being used to meet demand. The strong franc has also had a positive effect on inflation. Retail prices fell 0.8 percent in the first quarter and are unlikely to surpass 1.7 percent over the first six months. Another positive influence has been the fall in agricultural prices and the decline in petroleum prices, to which the French economy is particularly sensitive, in mid-January.

Prices for manufactured products are similarly stable, with a rise of 1.2 percent forecast for the first six months. A slight acceleration in the price of services is forecast. In inflation terms, the French economy compares favorably with its principal partners, where inflation runs at around 4.7 percent annually compared with 3.1 percent estimated for France.

Unemployment, set to hover above the 9 percent mark at the end of June, remains a problem, although 120,000 new jobs were created in the first half. Salary increases remain moderate: The average hourly rate increased 1.2 percent in the first quarter and is forecast to rise 0.9 percent in the second.

In this generally rosy picture several areas give cause for concern. Senior economists in the government of Prime Minister Michel Rocard believe that the financial position of

French corporations indicates increased vulnerability to downturns. The continued strength of productive investment and the ability of French companies to finance this investment largely out of cash flow are seen as important indicators of economic health.

PRELIMINARY national accounts for 1989 published by INSEE in May confirm that there was a decline in corporate self-financing ratios to 82.8 percent compared with 87.7 percent in 1988, 87.8 percent in 1987, and 92.5 percent in 1986. This decline was more apparent in the private sector, where it fell to 81.7 percent against 87.2 percent in 1988. State-owned companies managed 89.4 percent, only slightly lower than the figure for the previous year.

A report produced by Crédit National based on a study of 60 of France's largest industrial and service companies shows a reduction in cash flow this year while investment continues to grow by around 15 percent. In order to soften the effect of this reduction, the government has decided to further reduce corporate tax rates on undistributed earnings.

Another area of weakness concerns the vulnerability of the economy to future changes in the price of oil. While an oil crisis is unlikely in the short term, the mid-1990s might see a recurrence. France produces only 41 percent of its petroleum needs.

The OECD stresses the importance of a reduction in unemployment, which should be achieved through sustained growth but also through increased flexibility in the labor market. Another recommendation concerns further liberalization. In the words of the report, "It is necessary to further open up the economy to the discipline of competition."

Gary Humphreys

BEAUTY CARE: A SCIENTIFIC ADVENTURE

L'Oréal has two consuming passions: beauty and research. In 1907 the company made a bet on research and created the first synthetic hair colorants. An innovative product which responded to the consumer's demand for quality, a strategy to which L'Oréal remains dedicated. Today L'Oréal is the world leader in the cosmetics industry. A dynamic force. A formidable success. The result of continuous dedication to research. L'Oréal has the most effective Fundamental and Applied research laboratories in the world. More than 1,000 researchers are involved in the discovery and perfection of new formulas and new products. More than 100 original patents are filed each year, leading to several hundred international extensions. Research and Marketing teams work together in close harmony. A highly effective interaction. L'Oréal devotes itself to research. L'Oréal also devotes itself to the market — this is essential to keep in touch with the consumer, to be aware of new needs, and to develop new markets. Established in over 150 countries, this French company is the most international of the world's major cosmetic concerns.

L'Oréal.

L'ORÉAL

BNP: THE FUTURE IN HAND

1989: BRISK ACTIVITY, STRONG INCOME GROWTH.

In the midst of an extraordinarily eventful year and an international context of economic growth and financial market volatility, BNP successfully reasserted its basic ambitions: strengthening its position as leading universal bank in France and playing a major role in banking in Europe and the rest of the world.

In France and abroad, BNP increased market share, developed networks, enlarged the range of its products and services, modernized its operating facilities and strengthened its financial structures.

Professionalism, quality and innovation are the key values of our corporate plan, serving every category of customer. BNP has its future well in hand.

■ THE LEADING UNIVERSAL BANK IN FRANCE

1989 was a year of brisk activity for BNP, with strong growth in deposits, lending, asset management and financial transactions.

The bank thus enlarged its share of the market, particularly with respect to private customer and small and medium-sized company lending. At the end of 1989, assets managed by BNP (deposits, UCITS, life insurance) reached FRF 480 billion, increasing by 12.8%.

The agreement with UAP enabled BNP to offer a broader range of services and to diversify channels of distribution: "insurance windows" have already opened in a number of branches.

BNP developed its network: Banque de Bretagne joined the Group with its 78 branches and its subsidiary Banque de la Cité.

At the same time the bank increased the pace of modernization of its operating facilities. In its branches, renovated and more functional, 15,000 multi-purpose work stations have been installed, with direct data acquisition capabilities for customer transactions. More than 1,000 BNP automatic teller machines are now available to the public.

On financial markets, BNP bolstered its number one position in share flotations (52 transactions), stock market listings (9 listings on the second market), commercial paper and certificates of deposit.

■ A MAJOR GLOBAL PLAYER

In pursuing its international development, BNP has decided to base its growth on a policy of alliances, acquisitions and international development.

A close relationship has been established with DRESDNER BANK. In Italy, BNP has become a shareholder of CREDITO ROMAGNOLO. BNP ESPAÑA alone opened 15 new branches in Spain in 1989.

The bank has returned to countries with which it has historical ties: Algeria, Vietnam, Madagascar. It broadened operations in Indonesia and Turkey and opened a subsidiary in Uruguay. The establishment of a leasing company in the USSR and a financial company in Hungary are the first stages of an active penetration of Eastern Europe.

In view of the Single European Market, BNP launched the first comprehensive line of European mutual funds, based in Luxembourg.

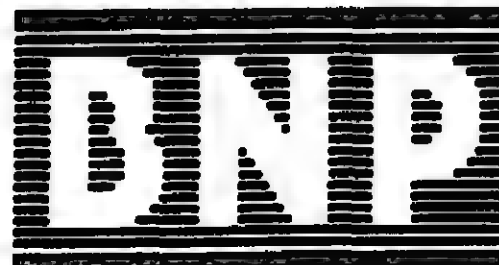
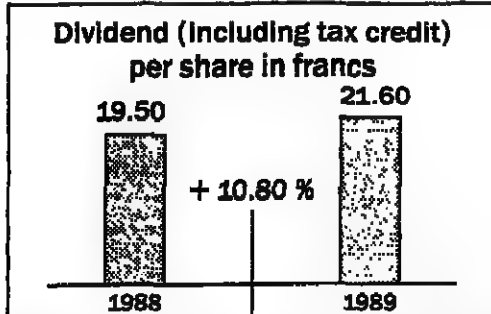
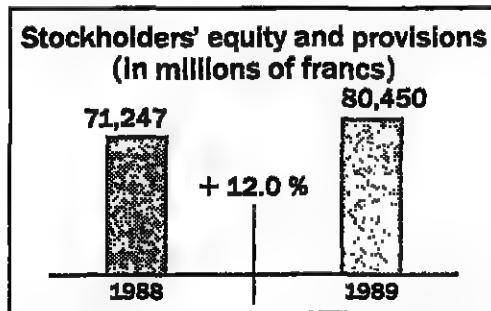
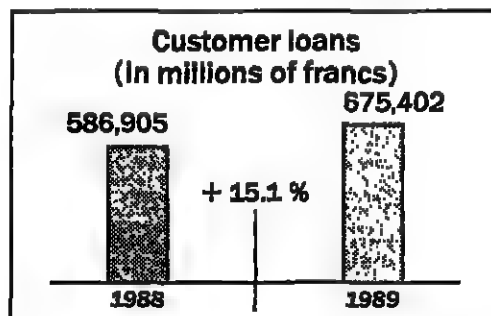
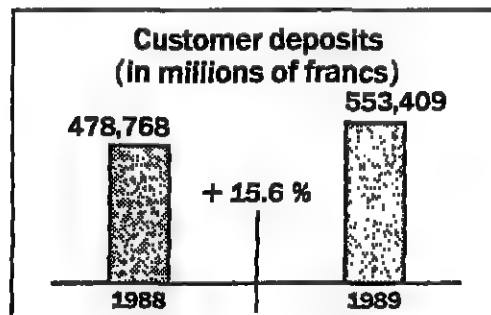
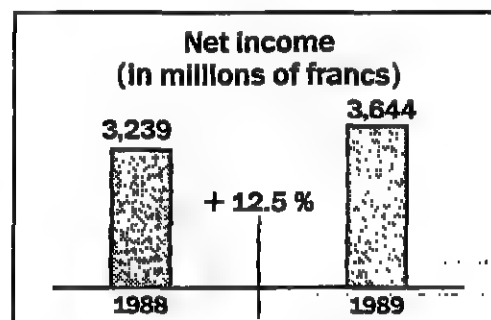
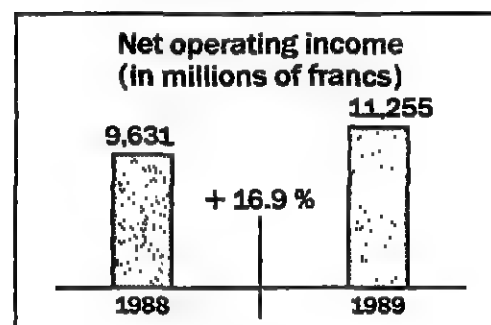
Three figures highlight the increase in BNP's earnings.

For the first time in its history, BNP's net operating income exceeded FRF 10 billion, reaching FRF 11,25 billion, a 16.9% increase.

Net income for the Group rose to FRF 3.65 billion (+ 12.5%).

The dividend, including tax credit, of FRF 21.60 (versus FRF 19.50 in 1988) represents an increase of 10.80%.

BNP 1989: KEY FIGURES



WORLD BANKING IS OUR BUSINESS

France's Economic Muscle / A Special Report



Each year on a fixed date (May 24) in France's Aubrac region, the cows are taken to their summer pastures on the plateaus.

Europe's Breadbasket a Victim of Success

By Jacques Neher

PARIS — Although France has long been famous for its food, these are not the best of times for the 900,000 farmers who produce it. Many have just had to suffer a price freeze for their output because of European Community agricultural policy that penalizes overproduction, while environmentalists are attacking farmers for polluting the environment, and, to cap it off, a severe drought this year threatens at least one important crop.

And against these topical problems is a long-running structural crisis, caused by demographics and the difficult economics of French farming, which is causing the rapid abandonment of productive farmland, particularly the smallest parcels.

Despite these myriad problems, however, food continues to be one of the few bright spots in France's trade picture. In 1989, the farm and food industries sold 183 billion francs (\$32 billion) worth of goods to other countries, 51 billion francs more than France imported.

That surplus, 22 percent greater than in 1988, was the saving grace of an otherwise disastrous trade performance. With industrial trade rapidly worsening, France last year suffered a total merchandise trade deficit of 43.7 billion francs.

Wine and spirits represented the biggest export category, generating 33.8 billion francs in sales, followed by cereals, 33 billion francs; meat and poultry, 24.3 billion francs; and dairy products, 18.4 billion francs.

But, even the country's food trade surplus is being threatened, according to experts. Agriculture Minister Henri Nallet, addressing the French Senate last fall, warned of "great deficiencies" in the food processing industry, notably the lack of world-scale companies with the means to invest in modern industrial processes and in research and development. He said these structural prob-

lems are causing "a slow but continuous worsening" of the country's trade balance for processed foods.

Food processing accounts for 3.2 percent of France's gross domestic product, while agriculture currently contributes about 3.6 percent to the value of the nation's total output of goods and services. In 1970, these two industries accounted for more than 11 percent of the GDP.

Despite its relatively small, and still-shrinking, importance in the country's economy, France is counted on as the breadbasket of Europe. It is the world's second-largest food exporter behind the

Food continues to be one of the few bright spots in France's trade picture.

United States, and accounts for 40 percent of the EC's production of oil plants such as rapeseed and sunflower seed, 33 percent of its cereal grains, and 25 to 30 percent of its cattle, poultry, milk and sugarbeet production.

Community members take up about 70 percent of France's food and farm exports. In 1989, Italy had the longest grocery bill, buying up 29.4 billion francs worth of French food. It was followed by West Germany, the Netherlands, Belgium/Luxembourg and the United Kingdom.

To a large degree, say experts, French farming has become a victim of its success. Farmers, employing new methods and equipment, have learned to produce more and more from their land each year with fewer people, resulting in a vicious cycle of oversupply, falling prices and shrinking farm revenues.

In 1970, for example, France produced 12 million tons of wheat and 7.4 million tons of

corn. Last year, the country produced around 32 million tons of wheat and 12.4 million tons of corn.

In the same period, the country lost 600,000 farms, though the remaining 982,000 farms became larger, with the average size increasing from 19 hectares (47 acres) in 1970 to 29 hectares by 1987.

Farm revenue, which sank through most of the 1970s and stagnated in the 1980s, began to pick up over the last three years, due largely to the EC's Common Agricultural Policy (CAP), which has sought to reduce large stockpiles of various farm products.

The CAP, for example, established a quota system for milk producers, penalizing those who produce more than the set ceiling, while providing financial incentives for dairy farmers to get out of the business. As a result, since 1983, the number of dairy cattle in the country has been cut by 1.5 million head, and milk production has been reduced by about 2 billion liters (2.1 billion quarts) a year.

Last year, farm revenues in France rose 8.5 percent, but economists question whether this recovery can be maintained. With prices falling in the important grain sector, which alone accounts for more than half the land in production, gross revenues for cereal producers have fallen nearly 5 percent in the past year.

There does not seem to be much improvement in sight. John Tjandstra, economist with the International Wheat Council in London, predicted that French wheat production this year would top 33 million tons, reaching the same level as in the peak production year, 1984.

France's failure to reduce wheat production, say observers, can be traced, in part, to the government's less-than-enthusiastic response to a set-aside program established under the CAP last year. In that program, member states could offer bonuses to grain producers that took land out of production. A quarter of the bonus would be reimbursed by the EC.

While West Germany took 170,000 hectares out of production last year under the program, France, which offered a much lower incentive to its farmers, withdrew only 3,000 hectares from production.

The foot-dragging sparked a threat recently from Brussels. "France has committed an error," said Guy Legras, agriculture director of the European Commission. "If it wants to avoid a quotas policy, it should play the set-aside game."

Adding uncertainty for the future of French agriculture is the outcome of a bitter dispute between the United States and the European Community over how far to go in dismantling farm subsidies. The United States wants to see all subsidies eliminated, while the EC maintains that some subsidies should be retained. Both sides are committed to reaching an accord this year within the context of the current Uruguay Round of the General Agreement on Tariffs and Trade.

Meanwhile, a continuing drought, particularly severe in southwestern France, is sure to hurt corn producers this year. Mr. Tjandstra predicted an output of 12 million tons, down from 13 million tons in 1989 and 14.5 million tons in 1988. Since September of last year, the southern half of France has received less than half its usual rainfall, and in May, precipitation also fell severely in the northern half.

Mr. Nallet, the agriculture minister, recently went to Brussels seeking a more flexible farm policy so that drought-hit farms could switch from corn to crops that consume less water, such as sunflowers, without being penalized under the system that links price supports to production levels.

The drought has also intensified environmental concerns because rain is needed to dilute agricultural wastes. Longer term, the government is stepping up its research efforts to develop less-polluting farming methods while it provides incentives to farmers who invest in "greener" technology.

Government Relaxes Controls To Show It's Investor-Friendly

By John Phillips

PARIS — President François Mitterrand's government is relaxing controls on investment from outside France as the Single European Act of 1992 approaches, attempting to eradicate the impression that the country is often hostile to foreign investors, economic experts say.

Authorities in Paris announced in January that large European Community companies no longer would need government approval before investing in France, except in the strategic sectors of national defense, public health and public order.

The decision was part of plans by Finance Minister Pierre Bérégovoy to encourage foreign investment in France, according to Louis Le Penec, the government spokesman.

The exemption applies to all EC companies with annual sales of more than 1 billion francs (\$174.7 million) that have been in existence for at least three years.

Until January, EC companies required official approval for any investment in France. Under Mr. Bérégovoy's plans, smaller EC companies still require permission. But the government now has to rule within two weeks of an application. Previously, a reply could take up to two months.

Controls on companies from outside the community also were loosened. Non-EC companies still must inform French authorities of any investment plans involving more than 10 million francs.

BUT if no official answer is forthcoming within one month, the investment is cleared by default.

Mr. Le Penec said the new rules also cover acquisitions and spending on new production facilities. The relaxation was designed to encourage a "better balance" between French investment abroad and foreign investment in France, the spokesman said.

French investments abroad totaled 71 billion francs for the first nine months of 1989 compared with only 21 billion francs invested by foreign concerns in France.

Foreign investors are taking advantage of the January changes in the rules to enter some sectors that traditionally have been the exclusive preserve of French firms.

In February, for example, Hardy Wine Co., one of Australia's three largest wine producers, bought the idle La Baume Winery in southwestern France's Languedoc region, and said it planned to produce its first vintage next September.

The renamed Hardy la Baume is set on 68 hectares (168 acres) of vineyards near Béziers in France's largest wine region. Sales will be directed at Britain, the United States, Japan and Europe, including France, group Managing Director Wayne Jackson said.

Other leading Japanese investments in France include the acquisition in March of one of the top cognac houses, Louis Royer, by Suntory Ltd., part of a growing Japanese move into the French luxury goods sector.

Before the recent changes, overseas investors had made some inroads into French markets. But some of the acquisitions sparked controversy and debate in France.

Last November, for example, Nippon Life Insurance Co. unveiled plans to buy almost a third of the Forum des Halles shopping center, a thriving multilevel underground complex in the heart of Paris.

The complex was built in the 1970s on the site of the city's old general food market. Parisians regard the location as part of a bygone era.

The stake gives Nippon Life almost a third of the annual rent

Until January, EC companies required official approval for any investment.

paid by commercial premises in the mall, which was worth 123 million francs last year.

The prestigious Paris restaurant Lucas-Carton and the chic hair stylist Carita also have been sold to Japanese concerns. Japanese investment in France in 1988 amounted to the equivalent of \$463 million, or 1 percent of Japanese investment abroad.

Despite the changes introduced by Mr. Bérégovoy, the idea of foreign investment in key French sectors still meets opposition from some sections of public opinion, including Communist labor union leaders, who say they are worried that foreign rationalization techniques could lead to layoffs and lower wages.

At the end of April, the minority government of Prime Minister Michel Rocard used emergency powers to force through the legislature a bill partly shedding Renault's special status as a nationalized concern.

Mr. Rocard invoked a special clause in the constitution to put an end to filibustering by Communist Party members opposed to the change, which was necessary before Volvo AB of Sweden could take a 25 percent share in the carmaker. Communists alleged the Volvo accord was a "Trojan horse" to allow Japanese interests into the corporation.

Industry Minister Roger Fauroux went to Tokyo last year to meet with industrial executives and government officials "to convince them that France welcomes Japanese investments," a ministerial spokesman said.

Mr. Bérégovoy also wooed the Japanese, saying, "Better the Japanese than the unemployed."

"Our wish is to get rid of this restrictive attitude that our country has had for so long," he said. "The investments have gone to our neighboring countries..."

Only two or three years ago such an open-door policy would have been unthinkable, particularly in the car industry, where the interests of protecting Renault and the private concern Peugeot S.A. from foreign competition used to be considered paramount.

In 1978, the government opposed a plan by General Motors Corp. to build a plant in the eastern region of Lorraine that would have created as many as 7,000 jobs. The plant went to Saragossa, Spain.

France last year failed to attract two Toyota plants, which went to Britain instead.

Fuji Heavy Industries Ltd. last July backed out of a project to build an assembly plant for Subaru four-wheel-drive vehicles near Angers.

West Germany, as well as Japan, has caused fears in French industrial circles in the past. A French business magazine, *Challenges*, recently reported that West Germany was so strong economically it could "eat France for breakfast tomorrow."

M. R. FAUROUX replied, "We have lots of companies vulnerable to takeover. But the Germans have understood perfectly that if they try to enter France in force, they will be rejected."

Industry experts say part of the French image problem for investors from abroad is rooted in fears of Mr. Mitterrand's Socialist ideals, despite his steady shift to the political center since he assumed power in 1981.

As recently as February 1989, Mr. Mitterrand launched a fierce attack on the evils of unfettered capitalism, denouncing easy money-making and "gangsterism" in financial markets.

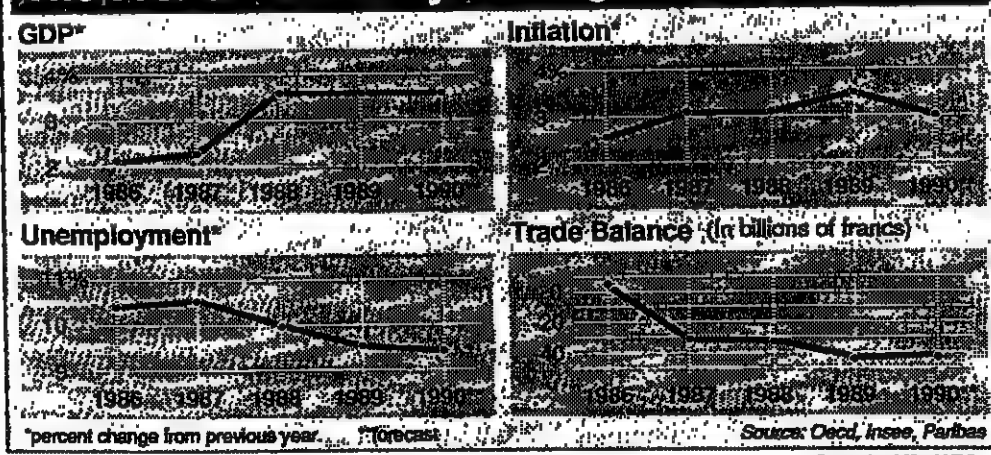
Nevertheless, American and other international investors, becoming more cautious about potential profits from German reunification, have acquired a taste for France, and the shares in its largest companies, pushing the Paris Bourse to record levels.

Analysts say the investment flood is coming from big international institutions, much of it from American pension funds that want to retreat from the inflated markets in West Germany and Vienna.

The Paris market is attractive to these investors because of its low price-to-earnings ratio.

Also making the Paris-market attractive to international investors are projections of gross domestic product growth of more than 3 percent, inflation of 3.2 percent, continued robust earnings growth of around 15 percent and the French government's campaign to boost the franc against the Deutsche mark.

The French Economy: Strong and Steady



Companies Rush to Globalize

Continued from page 9

des Machines Bull, a computer firm, saw the government appropriate 500 million francs in new equity, promising even more generous funding in 1990.

Pragmatism is the government's watchword. "These companies have opportunities on the world scene which must be capitalized upon rapidly, so we cooperate to the fullest when the deal is judged in a favorable light," said a French government official.

Critics say that French companies rarely have a defined strategy, often buying what comes up on the market in rushed deals at a handsome premium.

Some of the most spectacular purchases abroad over the past few years by French groups include: Pechiney became the world's largest packaging group with the takeover of American Can and Tetrapack International;

Rhône-Poulenc bought three chemical companies in the United States and Britain as well as the medium-size American pharmaceutical firm, Rorer;

The state oil group, Elf Aquitaine, reinforced its chemical division by purchasing Pennwalt in the United States;

Bull moved from the 11th to the 7th slot among world computer companies by buying Zenith Electronics;

The food conglomerate, BSN, has spent over \$5 billion since

1987 in purchasing more than 20 agro-business companies in the drive to gain equal footing with giants like Nestlé and Unilever;

Michelin became heavy-weight champion of the world tire business by gobbling up Uniroyal Goodrich in the United States;

Compagnie Financière de Suez has more than doubled its assets since 1988 by buying Belgium's Société Générale, the Violette insurance company and Britain's Gartmore Investment Management;

Saint-Gobain made a \$2 billion deal for Norton, an American company that is the world's largest maker of abrasives and a leading producer of engineering materials. Besides sheer size, French companies are looking to diversify their product range and achieve strong positions in strategic sectors.

Antoine Riboud, head of BSN, said his group's aim is to attain first- or second-place positions in specific market niches, or else abandon them altogether.

The American market seems to be the most prestigious for acquisition-hungry French executives, but success is often difficult to achieve.

Renault abandoned a few years ago loss-making American Motors, and its RVI truck division is still burdened with poorly performing Mack Trucks, while Elf has not been happy with Texasgulf, a natural-resources firm acquired in 1981.

In 1989, French companies

spent more than \$6 billion on acquisitions in the United States in an attempt to catch up with British, West German and Japanese rivals. French investments there last year were the highest of any European Community country, although they still represent a meager 4.4 percent of total foreign investments.

Buying companies is one thing, blending them into a coherent corporate structure and developing synergies is another. This problem will become particularly acute as the industrial center of gravity of the 300 top French companies gradually shifts away from France.

According to the Bain report: "The easy option of expansion through acquisitions may prove superficially attractive in the short-term, yet failure to innovate and enact performance improvement to rejuvenate core businesses and attain full potential will result in the decline of France's industrial base."

The major challenge facing acquisition-minded corporate France in the 1990s, said Benjamin Leneman, director of corporate finance at the Paris office of the British merchant bank, Robert Fleming, "will be proving that it can successfully manage newly acquired global empires and adapt to an eventual downturn in the business cycle."

HOWARD SCHUSSEL is a freelance journalist based in Paris.

Airport Set as Hub

Continued from page 9

sengers, the largest increase since Charles de Gaulle Airport went into service in March 1974.

There still are considerably fewer passengers using Paris airports than counterparts in London, where 63 million passengers were registered in 1989. But Paris is well ahead of Frankfurt, which notched up 27 million passengers last year.

Aéroports de Paris President Bernard Lathière has said he believes Charles de Gaulle has unusual scope for expansion because of the space available at the facility and the company's ability to self-finance much of its expenditure.

Mr. Reder said, "Frankfurt does not have much of a possibility to redevelop its airport. London is in more or less the same situation."

"But at Charles de Gaulle, less than half of the available land is utilized. We still could build two more parallel runways at Charles de Gaulle in addition to the existing two there. No other airport in Europe can do that."

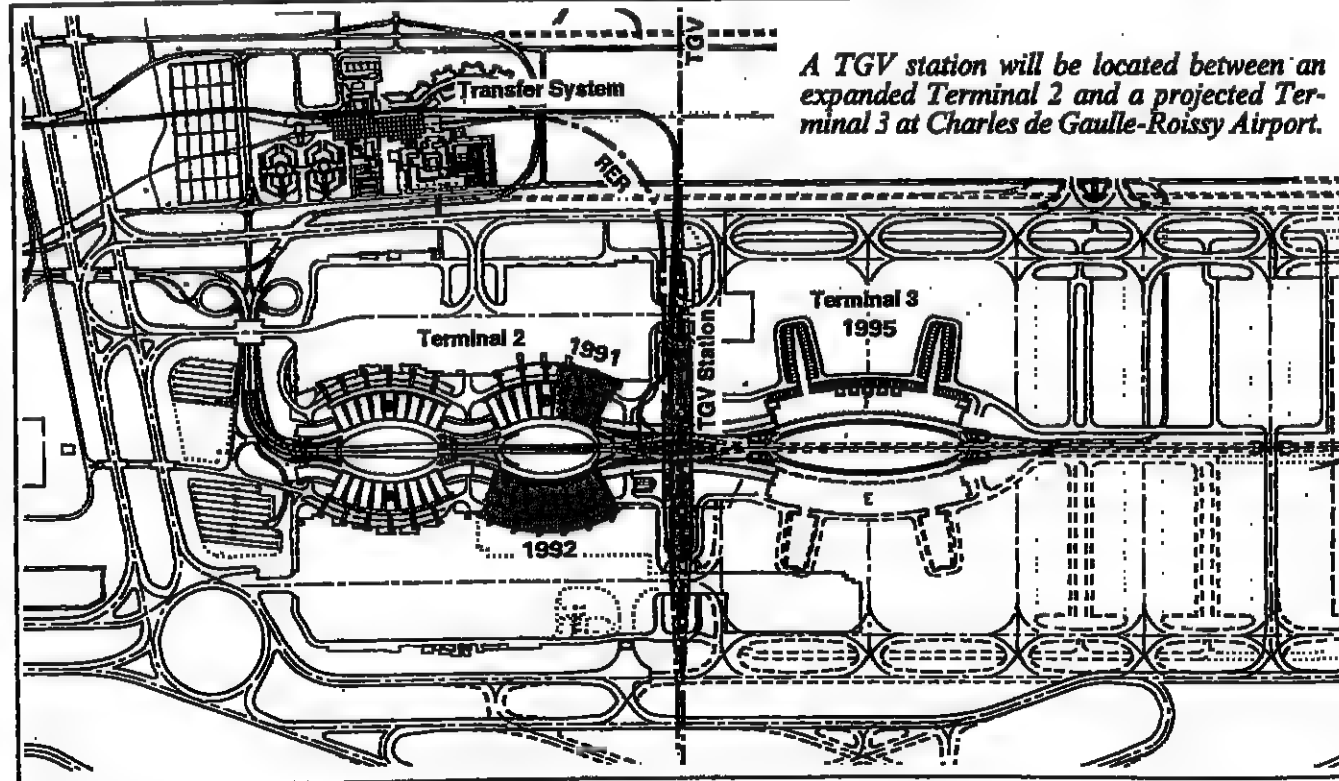
Only registered 24.3 million passengers last year compared with 20.7 million at Charles de Gaulle. Planners at Aéroports de Paris believe Orly could handle as many as 30 million passengers, but they want to limit voluntarily development of that airport for environmental reasons.

Far more people live around Orly than Charles de Gaulle, which is situated 28 kilometers (17 miles) from the center of Paris. Orly is closed to air traffic for much of the night while Charles de Gaulle operates around the clock.

Aéroports de Paris has a special status. Technically, the body is dependent on the Ministry of Transport but it is totally independent financially, receiving no subsidies.

In 1989, Aéroports de Paris posted a net profit of some 400 million francs. Much of its recent work has been overseas.

JOHN PHILLIPS is the Paris bureau chief of United Press International.



A TGV station will be located between an expanded Terminal 2 and a projected Terminal 3 at Charles de Gaulle-Roissy Airport.

Selling Glitter to World Gets Tougher

Continued from page 9

resources to invest in new products and market them around the world," said Mr. Blanckaert. It is estimated, for instance, that it can cost up to \$50 million to develop and launch a new brand of perfume.

"Without a solid financial backbone we would not have the resources to design, produce and market quality products," said Pierre Bergé, president of Yves Saint Laurent.

It is no surprise, then, that over the last few years the industry has seen the emergence of a few giant luxury goods conglomerates, the reorganization of the remaining family-owned firms, the expanding role of financiers and an inflow of foreign investment.

Symbolic of the new era in the luxury goods business was the bitter feud pitting the young financier Bernard Arnault against 78-year-old Henry Racamier for control of the world's largest luxury goods empire, LVMH Louis Vuitton-Moët-Hennessy, in a saga

that some observers termed "Dallas à la française."

After more than a year in court, Mr. Arnault, with Guinness as his largest shareholder, won control over the company; Mr. Racamier, for his part, is building a rival empire around the newly acquired Jeanne Lanvin fashion house.

The drive for volume sales and financial resources has resulted in the restructuring of most luxury goods firms.

"Investments in luxury goods companies can turn out to be highly profitable if operations are reorganized, the image restored, brands repositioned and sufficient funds poured into creativity and marketing," said Léon Bressler, a former banker who is the head of the Lavign fashion house.

Family-owned firms can remain independent if they have the foresight and capital to modernize on their own. Hermès, for example, turned its corporate scavenger into international status symbols, while expanding product lines and reorganizing sales networks.

Yves Saint Laurent, with the backing of the Italian financier Carlo De Benedetti, made valu-

able acquisitions, increasing sales eightfold between 1986 and 1988 to \$450 million and carrying out last year a successful flotation on the Paris Bourse.

The trend is inexorably toward conglomerates. Only one of the top five cognac companies, Cams, remains totally independent, the others belonging to foreign multinationals, while only a handful of champagne houses have stayed in family hands. Only Chanel of the four biggest fashion houses remains in private hands.

Foreign investors are enthusiastically snatching up opportunities in the French luxury goods sector. The Japanese have taken control over Cartier (cosmetics), Givé and Jean-Louis Scherrer fashion houses, Bordeaux vineyards and cognac houses as well as the prestigious Lucas Carton restaurant. The Hong Kong-based Poon group took over the luxury article firm, S.T. Dupont.

Arab investors, too, have been active. The Bahrain-based Investcorp bought one of Paris's top jewelers, Chaumet; the Al Fayed brothers of Egypt purchased one of Paris's most exclusive hotels,

the Ritz, and Lebanese investors the Royal Monceau.

South African interests — the Rothmans Group through its Swiss holding, Compagnie Financière de Richmond — own the flagship French jewelry and accessory firm, Cartier.

Future growth in the market for luxury goods is focused on Japan and the Far East. It is estimated that Asians account for about 60 percent of Vuitton bag sales and over a third of cognac exports.

French fashion houses are developing an extensive sales network in key Japanese cities as well as other Asian capitals, where Paris is chic is a potent sales tool.

Most observers feel the French luxury goods industry is destined for sustained growth in the 1990s. Mr. Blanckaert said that "it will have to come up with a range of exciting new quality products to meet the changing demand of world markets."

"Creativity will be one of the principal driving forces in our industry in the 1990s," he added.

Howard Schussel

HEALTH / SCIENCE

Who Masterminded Piltdown Man Fraud? A New Suspect

By John Noble Wilford
New York Times Service

SCHOLARLY sleuths trying to get to the bottom of the Piltdown hoax believe they have at long last got their man, the mastermind in the most famous scientific fraud of the century. The skull and jaw of the "Piltdown Man," found in a gravel pit in England and announced to the world in 1912, were a sensation because the discovery upset prevailing theories about the antiquity of the modern human form.

The specimen confounded scientific inquiry for years, showing many paleontologists off the scent of what has been seen as the true course of human evolution. Not until 1953 was the Piltdown Man exposed as a fraud, bones assembled and doctored to appear to be what they were not. Someone had joined a human cranium no more than a few hundred years old with an orangutan's jaw to create the impression that the large brain preceded and presumably dictated all future prehistoric human evolutionary steps.

But the mystery of who did it has persisted to this day, and the list of suspects has included many prominent scientists as well as Sir Arthur Conan Doyle and the philosopher Pierre Teilhard de Chardin.

The incriminating evidence that supposedly cracks the case will be published in a book, "Piltdown: A Scientific Forgery," due out this fall from the Oxford University Press. The book was written by Dr. Frank Spencer, an anthropology professor at Queens College of the City University of New York. His research elaborated on the earlier detective work of Dr. Ian Langham, a historian at the University of Sydney in Australia, who died in 1984.

"I'm pretty convinced that this is the definitive solution," Dr. Spencer said in an interview last week. "We don't have the smoking gun. But I think the interpretation

we've made is a reasonable one and in harmony with the facts and what we believe to have transpired."

Who was the perpetrator?

One man almost surely had a hand in it, according to most experts who have examined the evidence. He was Charles Dawson, a lawyer in Sussex and amateur geologist, who said he collected the bone fragments at the village of Piltdown between the years 1908 and 1912.

He brought the specimens to the attention of Arthur Smith Woodward, keeper of paleontology at the British Museum, in the middle of 1912. The announcement was made by Mr. Woodward at a meeting of the Geological Society of London on Dec. 18, 1912.

Mr. Dawson, the argument goes, had a motive, which was his desire for a collecting coup that would assure entrance in the Royal Society. He had the opportunity, for he lived near the site and could have salted it with bogus bones he might have obtained from his contacts at museums.

In his analysis of the hoax in 1955, Dr. Joseph S. Weiner, a South African paleontologist at Oxford, who was instrumental in exposing the fraud, decided that Mr. Dawson must have acted alone, though he recognized that Mr. Dawson could have been the agent of a "shadow figure" who masterminded the caper. His identity is the deeper Piltdown mystery.

In the book by Dr. Spencer, the alleged second man is none of the dozen or so suspects who had been rounded up by scientists and historians over the years. Among the usual suspects, Mr. Woodward is generally judged innocent. He rendered the judgment that the skull and jaw were genuine prehistoric relics. It is unlikely, experts say, that if he knew the facts he would have exposed himself as the duped party in the affair.

Before his death in 1978, Dr. James A. Douglas, a professor of geology at Oxford, let it be known that he believed his famous predecessor at Oxford, William J.

Sollas, had been the perpetrator as a way of making Woodward, his pretentious academic rival, look ridiculous. If he was the instigator, why did Mr. Sollas never spring the trap?

Lewis Abbott, a jeweler in Hastings and collector of fossils, could have been involved. He knew Mr. Dawson and lived nearby. Dr. Charles Blinderman, an English professor at Clark University and author of "The Pil-

He is a prominent man associated with the Piltdown inquiry, but who never seems to have attracted the least suspicion — until now.

tdown Inquest" in 1986, noted that Mr. Abbott was on record before 1912 as saying that pompous paleontologists should be punished by entrapping them with clever fakes.

Pierre Teilhard de Chardin, the French Jesuit priest and paleontologist, could have been the second man. In the years immediately before the 1912 announcement, he lived at a Jesuit seminary in Hastings and on many occasions tramped the fields hunting fossils with Mr. Dawson. On Mr. Dawson's first joint excavations at Piltdown with Mr. Woodward, the only other person to accompany them was Mr. Teilhard.

In casting a suspicious eye on the French priest, Dr. Stephen Jay Gould, the writer and paleontologist at Harvard, has cited several slips Mr. Teilhard made years later in correspondence reconstructing the facts and timing of his relationship with Mr. Dawson and the Piltdown Man. Louis Leakey, the Kenyan paleontologist, also suspect-

ed Mr. Teilhard and reported a conversation in which the priest is supposed to have said, "I know who did the Piltdown hoax and it was not Charles Dawson." He gave a little smile and said no more.

Add to the cast of suspects the name of Sir Arthur Conan Doyle, creator of Sherlock Holmes. In 1983, John H. Winslow, an American archaeologist, pointed the finger, noting that Mr. Conan Doyle lived near Piltdown, knew Mr. Dawson and had a keen interest in fossils. But he had no apparent motive.

No one seemed to give much thought to Sir Arthur Keith. In 1912, he was a rising star in science as an anatomist and conservator of the Hunterian Museum of the Royal College of Surgeons.

He was prominent socially, ambitious and willing to take risks. At a time of theoretical flux in paleoanthropology, he was the champion of the concept that modern humans evolved earlier than had been supposed and the first manifestation was the enlarged brain.

In this way of thinking, there was no room in the human lineage for the Neanderthals of Europe or the Java Man, found just before the turn of the century and later determined to be a specimen of a direct human ancestor.

There was room, however, for a "missing link" with a modern-sized brain combined with a simian jaw, something like the Piltdown Man.

What scientist had the most to gain from the Piltdown discovery, and did secure greater fame? The answer, Dr. Spencer said, is Mr. Keith.

The most suggestive piece of evidence was an entry Mr. Keith made in his diary in December 1912. This revealed that an anonymous article about the Piltdown discovery that appeared in the Dec. 21, 1912, issue of The British Medical Journal had been written by Mr. Keith.

He had written it two days before the Geological Society meeting, and the article left no doubt that the author had been privy to knowledge about the dig site that

was not reported by Mr. Woodward at the meeting and was presumably a closely guarded secret.

Other clues began to fall into place. It was established that Mr. Dawson and Mr. Keith had met at least a year before and that the scheme could have been hatched sometime between July 1911 and the beginning of 1912.

As Dr. Spencer reconstructed events, Mr. Keith provided technical expertise and possibly the bones, too. The fragments were stained to look prehistoric, and the orangutan teeth were filed down to show the kind of wear exhibited on human teeth.

Mr. Dawson placed the bones in the gravel deposit where they would be found when Mr. Dawson, Mr. Woodward and occasionally Mr. Teilhard visited the site in the summer of 1912.

Analysis of the new evidence, Dr. Spencer said, strengthened the view that the hoax "was not a practical joke that got out of hand, but rather one that had been tailored to withstand scientific scrutiny and thereby promote a particular interpretation of the human fossil record."

RECOGNITION of the importance of fossil discoveries in Africa, beginning in the 1920s, was impeded because they seemed to contradict the reigning Piltdown "evidence."

In a foreword to the book, Dr. Phillip V. Tobias, director of paleoanthropology at the University of Witwatersrand in Johannesburg, called the case against Mr. Keith "the newest, the most surprising, nay, shocking, and the most seemingly logical conclusion as to the identity of the scientist-member of the team of forgers."

Dr. Fred H. Smith, a paleontologist at the University of Tennessee at Knoxville who has examined the new evidence, said: "I think Spencer makes a very good case. I don't think it's ironclad. But when you look at whose career benefited most by Piltdown, Arthur Keith's name certainly heads the list."

In Zaire, Rhinos Get a New Lease on Life

By Jane Perlez
New York Times Service

GARAMBA NATIONAL PARK, Zaire—A vigorous anti-poaching effort in this nearly impenetrable corner of Zaire has pulled a rare subspecies of white rhinoceros back from the brink of extinction.

Probably no other national park in sub-Saharan Africa can boast the record of Garamba: no rhinoceros has been poached here since 1984, according to local officials.

Just as encouraging, 10 new animals have been born, four last year, making a total of 26 in the park, almost certainly the only northern white rhinoceros left in the wild, researchers at the park say.

Fifty years ago, Belgium, as a colonial power, dedicated this remote 7,800-square-kilometer (3,000-square-mile) swath of green savannah, some of the wildest country in Africa, as a national park.

The idea was to protect the rare subspecies of white rhinoceros peculiar to the region. But by 1983, after two decades of heavy poaching by rebels and local tribesmen in league with corrupt park officials, only 15 of the more than 1,000 rhinoceros left, a few sighted creatures were left.

But for the past six years, a rhino-protection program that emphasizes better-paid and better-motivated anti-poaching patrols has been a marked success.

It was begun by conservation groups in conjunction with the Zairean government, and unlike the rhinoceros in other parks on the rest of the African continent, the northern white has been brought back from the brink.

Alarm bells went off in 1980 about the imminent disappearance of the rhinoceros, which, after the elephant, is the world's second-largest land mammal.

The rhinoceros, both the black and the northern and southern white, was classified as an endangered species and internationally financed anti-poaching programs were stepped up in many places in Africa.

But the slaughter of the animals marched on unabated. Prompted by the soaring price for rhinoceros horns, impoverished Africans and corrupt officials outmaneuvered the poaching patrols to win lucrative incomes.

In Hong Kong, where it is ground for medicinal purposes, a rhino horn sells for \$24,000. In Yemen, the horn is prized for dagger handles.

The key to the success in Garamba, according to Dr. Kes Hillman-Smith, a conservation adviser at the park, was the arrival of a new park warden to succeed one who had been compromised by the poachers; im-

proved pay and other benefits from the Zairean government for the nearly 200 anti-poaching guards; well-motivated Zairean researchers in the park; and financial backup by the World Wide Fund for Nature and the Frankfurt Zoological Society.

FOLLOWING the growing realization among conservationists in Africa that if poaching is to be prevented, local villagers around parks must benefit from the preservation of the species, Dr. Muhindo is about to start an educational program for some of the 100,000 or so people scattered around the perimeter of the park.

To reduce the temptation for the villagers to come into the park for meat, consideration is being given to help improve goat and sheep herds.

The front line against poaching is still the guards. They are paid \$16 a month with the opportunity of incentives, plus equipment.

On a recent morning with the dawn light bathing the sky in saffron, 12 guards in khaki, carrying automatic rifles provided by the Zairean government and bulging knapsacks with enough provisions for 10 days, squeezed into the back of a Toyota pickup to ride out from headquarters on a patrol.

Before leaving the park headquarters they were given instructions on what to look for

by Dr. Mbayma Atalia, a protection officer. Later in the day, when the sky had cleared to pale blue, Dr. Mbayma, 30, who is studying the sleeping, eating and size of grazing range of the rhinoceros, headed out to find M-5, one of the six adult males.

Dr. Mbayma drove to the Garamba River, about the northernmost range for the rhinoceros, without a sighting. But on the way back, with the help of binoculars, he picked up a grayish mass ahead.

About 300 meters from the animal, Dr. Mbayma parked his pickup and approached on foot. He recognizes every rhinoceros in the park by horn shape and wrinkle contours around the snout: the one in front of him he immediately knew to be M-5.

Dr. Mbayma stopped about 80 yards from the rhinoceros, crawled and then crouched down in the grass, taking quick notes on time of day, what it was eating, its geographic position and how far it had moved since last seen.

At one point, the rhinoceros sensed something, stopped its perpetual eating and looked up. After about 20 minutes, a yellow tick bird of the type that commonly escorts a rhinoceros on its travels and feeds off the open lesions on the animal's side flew in to sound an alarm.

The rhinoceros bounded off, away from Dr. Mbayma, at a half-speed gallop.



White rhinoceros: No poaching in the Garamba game reserve since 1984.

HEALTH Q&A

As a sexually active single man living in a European city, I have chosen condoms as my principal means of contraception and disease prevention. Medically speaking, are there any differences among the various types?

Yes! Today there are essentially two types of condoms: synthetic (those made of latex) and so-called "natural" or animal-derived condoms, made from part of the large intestines of lambs.

Testing has been done for thickness, durability and length (one size fits nearly everyone). There even exists a condom stress test, whereby each condom is inflated with air to the size of a watermelon to check for leaks. Such variations in condoms as color, decorations and ribbing have no effect on contraception or disease prevention.

The nonporous walls of latex condoms will block the passage of sperm, spirochetes (the micro-organisms responsible for syphilis), the herpes virus, the AIDS virus (HIV) and the hepatitis B virus.

Conversely, the "natural" condoms have pores that allow the passage of the herpes, HIV and hepatitis B viruses. Obviously, latex is the material of choice for condoms.

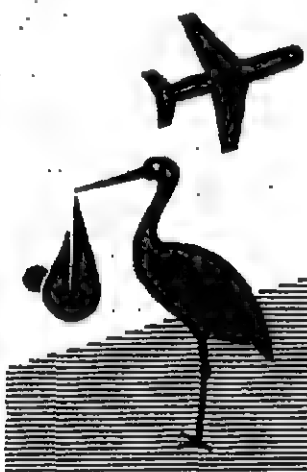
I am very concerned regarding the dangers of travel and particularly of flying on pregnant women and small children. What should I know?

The American College of Obstetrics and Gynecology has established guidelines for most travel situations for pregnant women. The optimal time to travel is between the fourth and sixth months of your pregnancy, when the chance of miscarriage and premature labor is lowest. Furthermore, although policy varies, most airlines prohibit travel after the 36th week of gestation. Airline cabins are not well-suited for routine deliveries, to say nothing of major complications.

In general, your obstetrician will know whether your particular pregnancy is of high risk, and you may want to consider a predeparture program examination to verify the absence of twins, tubal pregnancy, placental or developmental abnormalities that require special attention.

On the airplane, the cabin is pressurized, which, in the absence of severe anemia or sickle-cell disease, will not pose a major health risk to you or the fetus. Bear in mind that the air on an airplane is recirculated; drink plenty of water to prevent dehydration and sit as far away from the smoking section as possible. When booking your flight, ask for a bulkhead aisle seat so that you can move around the cabin every half hour or so to avoid developing blood clots in your legs.

As for traveling with children, it is all good news: with some proper



Richard Yeard/IST

do the skin test for TB before and after your trip.

Precautions regarding malaria and diarrhea are similar to those for adults, although drug dosages are scaled down. In any event, maintain hydration in your child using clean bottled (boiled, if necessary) water. Pack some antibiotic syrup (such as amoxicillin) in the event of some minor throat or ear infection while on the road. Avoid sunburn and wear proper shoes. Cook all foods, especially animal products, well (or breastfeed, if appropriate). Especially in the Third World, avoid salads. Lastly, keep in mind, it is worth it.

As a Canadian sufferer from diverticulitis living in Italy, I was surprised to see that the "fiber revolution" has yet to catch on in Europe, at least to the extent that it has in North America. Am I missing something?

Diverticula are mini-hernias through weak points in the muscular wall of the large intestine. They result from the increased pressure required to eliminate the insufficient waste bulk. If they rupture,

emptying their fecal matter into the abdominal cavity, the result is diverticulitis, with its symptoms of abdominal pain, fever and malaise.

The British physician, Denis Burkitt (after whom Burkitt's lymphoma was named) noted that rural Africans, with their simple dietary fiber, had virtually no diverticular disease. Conversely, in North America and Western Europe, where dietary fiber has fallen precipitously due to the replacement of refined flour and sugar for fruits and vegetables, diverticular disease is one of the most common bowel disorders.

The "fiber revolution" of North America, as you call it, is in direct response to this problem. One need not be consuming vast amounts of bran fiber to avoid this problem as much as simplifying life by reverting to a more natural diet with plenty of fruits, salads, vegetables and fresh water to keep things "moving along."

Michael McGannon, M.D., will answer questions from readers every other Thursday. Please write to him at the International Herald Tribune, 181 Avenue Charles de Gaulle, 92521 Neuilly, France.

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Market Retreats On Profit-Taking

Compiled by Our Staff From Dispatches

NEW YORK — Stocks fell in moderate trading Wednesday as the market was unable to fight off profit-takers after its recent gains.

The Dow Jones industrial average, which lost 10.19 points Tuesday, fell 13.35, to close at 2911.65.

Among broader market gauges, the New York Stock Exchange index fell 0.78, to 199.15, and Standard & Poor's 500-stock index slumped 1.68, to 364.96. An average share fell 15 cents.

Declines led advances by a 4-3 margin on the NYSE. Big Board volume totaled 164 million shares, down from 199.7 million shares traded Tuesday.

For the second day in a row, the market succumbed to profit-taking after rallying to all-time highs in the Dow industrials and other ma-

ior indexes Monday. The blue-chip index has hit 10 record highs in the last four weeks.

The market slipped after rumors spread that a large nuclear cloud had been discovered over the Barents Sea in the Soviet Union, analysts said. Meteorological officials in several countries stressed, however, that the reports were unfounded.

Analysts said they expected buying interest in the market to remain in check because many investors expect more of a pullback after the record highs, making stocks available at lower prices.

On the trading floor, Union Carbide was the most active issue, up 1 to 21.

The Amex index rose 0.78, to 364.19. The price of an average share gained 2 cents. Declines narrowly led advances. Volume totaled 14.5 million shares, up from 13.3 million traded Tuesday.

Dollar Posts Gains In U.S. Trading

Compiled by Our Staff From Dispatches

NEW YORK — The dollar closed mostly firmer after a slow session on Wednesday, as dealers continued to grope for fresh direc-

tion in the absence of major market-affecting news.

Trading, which has been dominated by technical factors, is expected to stay slow until next week, when the United States will issue a slew of inflation and trade indicators, dealers said.

Yet the dollar is expected to remain relatively well bid, owing to uncertainties over German monetary union and concerns over political events in the Soviet Union.

The U.S. currency rose to 1.6882 Deutsche marks from 1.6857 DM at Tuesday's close, and to 152.68 yen from 152.45. It also gained to 1.4353 Swiss francs from 1.4283, and to 5.6895 French francs from 5.6820.

The dollar fell against the pound, however, which rose to \$1.6875 from \$1.6870.

Analysts said the Canadian dollar

gained much of the attention during the day, as the market became more optimistic that talks between Prime Minister Brian Mulroney and the premiers of Canada's provinces would result in an accord that will prevent secession by Quebec.

The U.S. dollar ended at 1.1699 Canadian dollars, down from 1.1763 dollars.

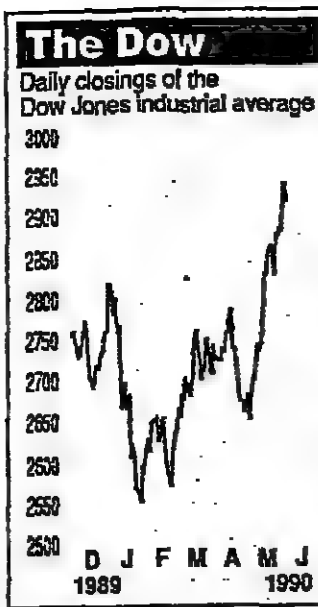
In London trading earlier, the dollar ended little changed after trading in a tight range because of offsetting concerns, dealers said.

The dollar remained underpinned by political uncertainty in Europe and the Soviet Union, but expectations of lower U.S. interest rates and fears of Bundesbank intervention to support the Deutsche mark continued to weigh on the U.S. currency.

The dollar edged down to 1.6870 DM from 1.6918 DM on Tuesday and to 152.70 yen from 152.83. It also slipped to 1.4315 Swiss francs from 1.4375 DM and to 5.6875 French francs from 5.7075.

The British pound rose to \$1.6865 from \$1.6855.

(Reuters, UPI)



NYSE Most Active

Vol.	High	Low	Close	Chg.
U.S. Steel	27 1/2	27 1/2	27 1/2	+1/4
IBM	164 1/2	164 1/2	164 1/2	+1/4
Amgen	164 1/2	164 1/2	164 1/2	+1/4
Amgen	164 1/2	164 1/2	164 1/2	+1/4
Amgen	164 1/2	164 1/2	164 1/2	+1/4
Amgen	164 1/2	164 1/2	164 1/2	+1/4
Amgen	164 1/2	164 1/2	164 1/2	+1/4
Amgen	164 1/2	164 1/2	164 1/2	+1/4
Amgen	164 1/2	164 1/2	164 1/2	+1/4
Amgen	164 1/2	164 1/2	164 1/2	+1/4

AMEX Most Active

Vol.	High	Low	Close	Chg.
U.S. Steel	27 1/2	27 1/2	27 1/2	+1/4
IBM	164 1/2	164 1/2	164 1/2	+1/4
Amgen	164 1/2	164 1/2	164 1/2	+1/4
Amgen	164 1/2	164 1/2	164 1/2	+1/4
Amgen	164 1/2	164 1/2	164 1/2	+1/4
Amgen	164 1/2	164 1/2	164 1/2	+1/4
Amgen	164 1/2	164 1/2	164 1/2	+1/4
Amgen	164 1/2	164 1/2	164 1/2	+1/4
Amgen	164 1/2	164 1/2	164 1/2	+1/4

NYSE Diary

Advanced	Class	Prev.
Advanced	451	451
Class	451	451
Prev.	451	451

Amex Diary

Advanced	Class	Prev.
Advanced	383	383
Class	383	383
Prev.	383	383

NASDAQ Diary

Advanced	Class	Prev.
Advanced	920	920
Class	920	920
Prev.	920	920

Dow Jones Averages

Open	High	Low	Last	Chg.
Index	2911.65	2911.65	2911.65	-13.35
Trans	1210.58	1210.58	1210.58	+0.18
NYSE	199.15	199.15	199.15	-0.78
Comp	364.96	364.96	364.96	-1.68

Standard & Poor's Indexes

High	Low	Close	Chg.
Industrials	424.74	424.74	-2.17
Utilities	21.14	21.14	-0.18
Finance	31.71	31.71	-0.25
SP 500	364.96	364.96	-1.68

NYSE Indexes

High	Low	Close	Chg.
Composite	364.19	364.19	+0.78
Industrials	364.19	364.19	+0.78
Utilities	364.19	364.19	+0.78
Finance	364.19	364.19	+0.78

NASDAQ Indexes

High	Low	Close	Chg.
Composite	920	920	+0.78
Industrials	920	920	+0.78
Utilities	920	920	+0.78
Finance	920	920	+0.78

AMEX Stock Index

High	Low	Close	Chg.
AMEX	364.19	364.19	+0.78
Industrials	364.19	364.19	+0.78
Utilities	364.19	364.19	+0.78
Finance	364.19	364.19	+0.78

Dow Jones Bond Averages

High	Low	Close	Chg.
Bonds	92.50	92.50	+0.25
Utilities	92.50	92.50	+0.25
Industrials	92.50	92.50	+0.25

Market Sales

NYSE 4 a.m. volume	NYSE 4 a.m. volume	NYSE 4 a.m. volume
NYSE 4 a.m. volume	NYSE 4 a.m. volume	NYSE 4 a.m. volume
NYSE 4 a.m. volume	NYSE 4 a.m. volume	NYSE 4 a.m. volume
NYSE 4 a.m. volume	NYSE 4 a.m. volume	NYSE 4 a.m. volume

NYSE Odd-Lot Trading

Buy	Sell	Chg.
Buy	Sell	Chg.
Buy	Sell	Chg.
Buy	Sell	Chg.

Currency Options

Open	High	Low	Last	Chg.
Index	2911.65	2911.65	2911.65	-13.35
Trans	1210.58	1210.58	1210.58	+0.18
NYSE	199.15	199.15	199.15	-0.78
Comp	364.96	364.96	364.96	-1.68

Standard & Poor's Indexes

High	Low	Close	Chg.
Industrials	424.74	424.74	-2.17
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Finance	31.71	31.71	-0.25
SP 500	364.96	364.96	-1.68

NYSE Indexes

High	Low	Close	Chg.
Composite	364.19	364.19	+0.78
Industrials	364.19	364.19	+0.78
Utilities	364.19	364.19	+0.78
Finance	364.19	364.19	+0.78

NASDAQ Indexes

High	Low	Close	Chg.
Composite	920	920	+0.78
Industrials	920	920	+0.78
Utilities	920	920	+0.78
Finance	920	920	+0.78

AMEX Stock Index

High	Low	Close	Chg.
AMEX	364.19	364.19	+0.78
Industrials	364.19	364.19	+0.78
Utilities	364.19	364.19	+0.78
Finance	364.19	364.19	+0.78

Dow Jones Bond Averages

High	Low	Close	Chg.
Bonds	92.50	92.50	+0.25
Utilities	92.50	92.50	+0.25
Industrials	92.50	92.50	+0.25

Market Sales

NYSE 4 a.m. volume	NYSE 4 a.m. volume	NYSE 4 a.m. volume
NYSE 4 a.m. volume	NYSE 4 a.m. volume	NYSE 4 a.m. volume
NYSE 4 a.m. volume	NYSE 4 a.m. volume	NYSE 4 a.m. volume
NYSE 4 a.m. volume	NYSE 4 a.m. volume	NYSE 4 a.m. volume

NYSE Odd-Lot Trading

Buy	Sell	Chg.
Buy	Sell	Chg.
Buy	Sell	Chg.
Buy	Sell	Chg.

European Commodities

Open	High	Low	Last	Chg.
Index	2911.65	2911.65	2911.65	-13.35
Trans	1210.58	1210.58	1210.58	+0.18
NYSE	199.15	199.15	199.15	-0.78
Comp	364.96	364.96	364.96	-1.68

Standard & Poor's Indexes

High	Low	Close	Chg.
Industrials	424.74	424.74	-2.17
Utilities	21.14	21.14	-0.18
Finance	31.71	31.71	-0.25
SP 500	364.96	364.96	-1.68

NYSE Indexes

High	Low	Close	Chg.
Composite	364.19	364.19	+0.78
Industrials	364.19	364.19	+0.78
Utilities	364.19	364.19	+0.78
Finance	364.19	364.19	+0.78

NASDAQ Indexes

High	Low	Close	Chg.
Composite	920	920	+0.78
Industrials	920	920	+0.78
Utilities	920	920	+0.78
Finance	920	920	+0.78

AMEX Stock Index

High	Low	Close	Chg.
AMEX	364.19	364.19	+0.78
Industrials	364.19	364.19	+0.78
Utilities	364.19	364.19	+0.78
Finance	364.19	364.19	+0.78

Dow Jones Bond Averages

High	Low	Close	Chg.
Bonds	92.50	92.50	+0.25
Utilities	92.50	92.50	+0.25
Industrials	92.50	92.50	+0.25

Market Sales

NYSE 4 a.m. volume	NYSE 4 a.m. volume	NYSE 4 a.m. volume
NYSE 4 a.m. volume	NYSE 4 a.m. volume	NYSE 4 a.m. volume
NYSE 4 a.m. volume	NYSE 4 a.m. volume	NYSE 4 a.m. volume
NYSE 4 a.m. volume	NYSE 4 a.m. volume	NYSE 4 a.m. volume

NYSE Odd-Lot Trading

Buy	Sell	Chg.
Buy	Sell	Chg.
Buy	Sell	Chg.
Buy	Sell	Chg.

Drexel Readies Reorganization Plan

Said to Fully Pay Off Its Creditors

NEW YORK (Reuters) — Drexel Burnham Lambert Group Inc. said Wednesday it was presenting creditors with a reorganization plan, which sources at the once powerful firm said includes a proposal to provide payment of all of its obligations.

A Drexel spokesman, Steve Amreder, said the brokerage firm's parent company, which is also in bankruptcy protection, had filed to extend a June 13 deadline for it to exercise the exclusive right to develop a reorganization plan. Mr. Amreder said a court hearing had been set for next week to consider Drexel's request to extend the exclusivity period.

Mr. Amreder declined to provide details of the reorganization plan. But sources at Drexel said the firm, which has said it is considering reopening for business as a scaled-down operation, is offering full payment to creditors. "It is a preliminary plan to provide full restitution," said one source, who asked not to be identified.

Hitachi Claims Fastest Mainframe

TOKYO (Combined Dispatches) — Hitachi Ltd. of Japan said Wednesday that it had developed the world's fastest mainframe computer, the first time the company has beaten the industry leader, IBM, and other manufacturers in the release of a new generation of computers.

Hitachi said the three new models of its HDS EX Series mainframe computers will use about 20 percent less power and occupy half the space of the latest competitors developed by International Business Machines Corp. Hitachi, however, was not expected to ship the new models in Japan until the fall, and in the United States until the second quarter of 1991, about the same time IBM was expected to have its latest mainframe ready, analysts said.

Texas Air to Be Called Continental

HOUSTON (Reuters) — Frank A. Lorenzo, chairman of Texas Air Corp., said Wednesday the company would change its name to Continental Airlines Holdings Inc.

Mr. Lorenzo said the name change was made to reflect the fact that the principal business of the company is Continental. Texas Air's other major subsidiary, Eastern Airlines, is operating under bankruptcy court protection. It is being managed by a court-appointed trustee.

Hewlett Signs a \$400 Million Deal

PALO ALTO, California (Reuters) — Hewlett-Packard Co. said Wednesday that it had signed a three-year contract, valued at up to \$400 million, under which Mentor Graphics Corp. would buy HP/Apollo workstations, servers and other hardware and software products and services.

The company said Mentor, under the agreement, will continue to buy a range of HP/Apollo products and would support a new family of HP platforms based on Motorola Inc.'s 68040 microprocessor — planned for introduction later this year — and upcoming enhancements to the Series 10000 personal supercomputer.

For the Record

The Playboy mansion, a stately 72-room home with indoor swimming pool and bowling alley, is being sold by the School of the Art Institute in Chicago. The Chicago-based Playboy Enterprises Inc. donated use of the building to the school in 1984.

Genentech Inc. said the U.S. Food and Drug Administration granted approval to market its cardiovascular drug Actavis, or t-PA, for the treatment of obstruction of the arteries of the lungs. The drug is already licensed as a treatment for heart attack patients.

SCA Group of Sundsvall, Sweden, said it would delist its American Depository Shares from NASDAQ trading. It cited a small number of U.S. shareholders and the expense of the program.

The Civil Aviation Administration of China said it placed an \$5 million order for CFM International's CFM56-3 engine to power 13 Boeing 737-300 aircraft. CFM is a 50-50 joint venture company of General Electric Co. and SNECMA of France.

Rocard Tries to Ease Fear of Higher French Tax on Profit

Reuters

PARIS — Prime Minister Michel Rocard on Wednesday sought to calm fears among investors that the Socialist government of France could seek to boost its popularity by raising new taxes on speculative profits.

"No country, and ours no more than others, can afford to penalize external investment," Mr. Rocard told the National Assembly, "by a

heavier penalty on stock market transactions or financial gains."

President François Mitterrand, who has been losing ground in opinion polls this year, spoke out last week against speculators who grew rich overnight.

Socialist deputies on Wednesday published a report fleshing out Mr. Mitterrand's proposal for higher taxes on capital gains. But Mr. Rocard signaled that he would oppose any move to penalize

the financial markets because this might scare capital out of France.

"We are competing with tax havens and other countries that can afford a more lax approach," he said.

Mr. Mitterrand had also contrasted the vast profits to be made from "easy money" with the plight of workers struggling on the minimum wage. This has raised suggestions that the government could relax its tight wage control policy.

The franc and

NASDAQ

Wednesday's Prices
This list compiled by the NASDAQ, the national securities market, is updated twice a year.

Stock Price Volume

100 200 300 400 500 600 700 800 900 1000

100 200 300 400 500 600 700 800 900 1000

100 200 300 400 500 600 700 800 900 1000

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100 200 300 400 500 600 700 800 900 1000

100 200 300 400 500 600 700 800 900 1000

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Vuitton Backers Ousted From Board of LVMH

PARIS — The last representatives of the Vuitton family were voted off the board of the French luxury products maker LVMH Moët Hennessy Louis Vuitton on Wednesday in the latest round of a long-running feud between rival clans.

Assembled shareholders voted by a 70 percent majority to exclude from the board André Barthelemy and Jean-Paul Parayre, two allies of Henry Racamier, the former head of the Vuitton luggage subsidiary.

Roche in Talks On Sale of Its Swiss Crop Unit

Basle — Roche Holding Ltd. said Wednesday that it had started talks on the possible sale of its Swiss crop protection division.

It did not identify its partners in talks on the sale of the division, based in Basle, and company executives could not immediately be reached for comment.

Maag, whose activities are concentrated mainly in Switzerland and France, is not large enough to ensure its successful growth over the long term, Roche said.

Analysts speculated Roche could be thinking of selling the division to either Sandoz AG of Switzerland or the West German company Schering AG, which announced two weeks ago that they were abandoning a planned merger of their crop-protection operations.

Analysts also saw the American company Monsanto Co. as a possible buyer.

Investor's Europe

Frankfurt Commerzbank	London F.T. 100 Index	Paris C.A.C. 40
250	250	200
240	240	190
230	230	180
220	220	170
210	210	160
200	200	150
190	190	140
180	180	130
170	170	120
160	160	110
150	150	100
140	140	90
130	130	80
120	120	70
110	110	60
100	100	50
90	90	40
80	80	30
70	70	20
60	60	10
50	50	0
40	40	-10
30	30	-20
20	20	-30
10	10	-40
0	0	-50
-10	-10	-60
-20	-20	-70
-30	-30	-80
-40	-40	-90
-50	-50	-100
-60	-60	-110
-70	-70	-120
-80	-80	-130
-90	-90	-140
-100	-100	-150
-110	-110	-160
-120	-120	-170
-130	-130	-180
-140	-140	-190
-150	-150	-200
-160	-160	-210
-170	-170	-220
-180	-180	-230
-190	-190	-240
-200	-200	-250
-210	-210	-260
-220	-220	-270
-230	-230	-280
-240	-240	-290
-250	-250	-300
-260	-260	-310
-270	-270	-320
-280	-280	-330
-290	-290	-340
-300	-300	-350
-310	-310	-360
-320	-320	-370
-330	-330	-380
-340	-340	-390
-350	-350	-400
-360	-360	-410
-370	-370	-420
-380	-380	-430
-390	-390	-440
-400	-400	-450
-410	-410	-460
-420	-420	-470
-430	-430	-480
-440	-440	-490
-450	-450	-500
-460	-460	-510
-470	-470	-520
-480	-480	-530
-490	-490	-540
-500	-500	-550
-510	-510	-560
-520	-520	-570
-530	-530	-580
-540	-540	-590
-550	-550	-600
-560	-560	-610
-570	-570	-620
-580	-580	-630
-590	-590	-640
-600	-600	-650
-610	-610	-660
-620	-620	-670
-630	-630	-680
-640	-640	-690
-650	-650	-700
-660	-660	-710
-670	-670	-720
-680	-680	-730
-690	-690	-740
-700	-700	-750
-710	-710	-760
-720	-720	-770
-730	-730	-780
-740	-740	-790
-750	-750	-800
-760	-760	-810
-770	-770	-820
-780	-780	-830
-790	-790	-840
-800	-800	-850
-810	-810	-860
-820	-820	-870
-830	-830	-880
-840	-840	-890
-850	-850	-900
-860	-860	-910
-870	-870	-920
-880	-880	-930
-890	-890	-940
-900	-900	-950
-910	-910	-960
-920	-920	-970
-930	-930	-980
-940	-940	-990
-950	-950	-1000
-960	-960	-1010
-970	-970	-1020
-980	-980	-1030
-990	-990	-1040
-1000	-1000	-1050
-1010	-1010	-1060
-1020	-1020	-1070
-1030	-1030	-1080
-1040	-1040	-1090
-1050	-1050	-1100
-1060	-1060	-1110
-1070	-1070	-1120
-1080	-1080	-1130
-1090	-1090	-1140
-1100	-1100	-1150
-1110	-1110	-1160
-1120	-1120	-1170
-1130	-1130	-1180
-1140	-1140	-1190
-1150	-1150	-1200
-1160	-1160	-1210
-1170	-1170	-1220
-1180	-1180	-1230
-1190	-1190	-1240
-1200	-1200	-1250
-1210	-1210	-1260
-1220	-1220	-1270
-1230	-1230	-1280
-1240	-1240	-1290
-1250	-1250	-1300
-1260	-1260	-1310
-1270	-1270	-1320
-1280	-1280	-1330
-1290	-1290	-1340
-1300	-1300	-1350
-1310	-1310	-1360
-1320	-1320	-1370

Wednesday's Closing
Prices include the nationwide prices up to
closing on Wall Street and do not reflect
prices elsewhere. Via The Associated Press

[illegible]

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, and not the latest trading day. Where a split or stock dividend is announced, the dividend is shown for the new stock only. Unless otherwise noted, the figures are annual.

Dividend data:
 a = annual rate of dividend plus stock dividend.
 c = cumulative.
 d = called.
 e = early.
 f = full.
 g = dividend declared or paid in preceding 12 months.
 h = high dividend, based on the high price, subject to 10% non-reliance tax.
 i = dividend declared after split or stock dividend.
 j = dividend paid this year, omitted, deferred, or no action taken.
 k = dividend declared or paid this year, on cumulative basis with dividends in arrears.
 l = last dividend.
 m = most days delivery.
 n = next dividend.
 P/E = price-earnings ratio.
 p = price.
 q = dividend paid in preceding 12 months, plus stock dividend.
 r = stock dividend begins with date of split.
 s = basis.
 t = dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
 u = new year for dividend.
 v = trading hedge.
 w = dividend for partnership or being recognized under the Bankruptcy Act, or securities assumed by such corporation.
 x = when distributed.
 y = when issued.
 z = when received.
 aa = dividend of ex-rights.
 ab = ex-dividend.
 ac = ex-dividend.
 ad = without warrants.
 ae = dividend and sales in full.
 af = yield.
 ag = yields in full.
 ah = yield.

— ADVERTISEMENT —
INTERNATIONAL FUNDS

June 6, 1890

Quotations supplied by funds listed, and some value quotations are supplied by the Funds listed with the exception of some quotes based on issue price. The marginal symbols indicate frequency of quotations supplied: (d) = daily; (w) = weekly; (b) = bi-monthly; (r) = regularly; (t) = twice weekly; (m) =

(w) GAM Bond Fund Inc	DM	85.0	(g) J.F. European	13.49
(w) GAM Bond Fund Inc	Y	10,921.0	(g) J.F. International	5.31
(w) GAM Boston Inc	S	234.51	(d) J.F. Gls Convertibles Trust	7.99
			(w) Parvest Off-DM 'A'	
			(w) Parvest Off-DM 'B'	
			(w) Obligation	

[illegible]

Be sure that your fund is listed in this space daily. Telex Simon OSBORN at 613595F for further information.

Tokyo
Rail Train

GT INVEST

INV

**INVE
CHRO**

Busy Tokyo OTC Firms Curtail Trading Hours

Reserve
TOKYO — A frenzy of buying in over-the-counter stocks caused the Japan Securities Dealers Association to curtail its trading sessions Wednesday afternoon, an association spokesman said.

The association said it plans to curtail trading sessions short indefinitely due to the difficulty in managing the heavy volume. "The turnover of shares is too great for the back office to handle at this rate, so the association is cutting back on the trading hours for a while," said Atsuo Fukui of the dealers association's OTC section.

A record 7.9 million shares traded Wednesday morning. "People used to buy in lots of 10,000 to 20,000 shares," said a broker at a foreign house. "Today they were buying at 100,000 shares a shot."

Taipei Targets Japan Trade

Government Asks Firms to Buy Components Elsewhere

Compiled by Our Staff From Dispatches
TAIPEI — Taiwan is augmenting efforts to roll back its persistent trade deficit with Japan, an official said Wednesday, as the government announced a widening of the gap.

For the first five months of the year, Taiwan ran a \$3 billion deficit with Japan, 18 percent more than in the corresponding period of 1989.

"Our trade deficit with Japan is a long-time headache, and we are anxious to reduce it," said Augustine Wu, deputy director of Taiwan's Board of Foreign Trade in Taipei.

Overall, Taiwan posted a trade surplus for the January to May period. Total exports in the period were \$26.59 billion, down 1 percent, while imports grew 5.5 percent, to \$22.75 billion, the government's directorate general said.

Mr. Wu said the government would encourage local businessmen to switch their purchases of major components from Japan to other supplying countries or develop them at home.

But he denied reports in the Taiwan and Japanese press that import controls were planned, adding that no cases of dumping by Japanese firms in the Taiwan market had been found.

The Japanese financial daily Nihon Keizai Shimbun on Tuesday said Taiwan planned to insist that bids by Japanese companies for public-works contracts include a portion of Taiwan-made products.

It said this was the first time the government has proposed such measures, marking a change from its past strategy: that the deficit be cut by increasing Taiwan exports to Japan.

An official of Japan's Ministry of International Trade and Industry said the Taiwan government knew trade retaliation was "not suitable for friendship between the two countries."

The official said the trade surplus with Taiwan was chronic because of imported Japanese industrial parts and components for assembly and export, so that when Taiwan's overall exports rose, so did imports from Japan.

"This is structural," he said. "It is very difficult to

Computer Retailer Enters Japan

Compiled by Our Staff From Dispatches
NEW YORK — Businessland Inc. said Wednesday that it had formed a joint venture to sell, service and support microcomputer and workstation products in Japan.

The venture, called Businessland Japan Co., has been formed with SOFTBANK Corp. as well as the Japanese computer makers Canon Inc., Fujitsu Ltd., Sony Corp. and Toshiba Corp.

Businessland said it has a 54 percent stake, SOFTBANK 26 percent and each of the others 5 percent.

Total capitalization of the venture is about \$20 million.

With the new venture, Businessland — the largest nonfranchise chain of computer stores in the United States — is moving into a computer market that is not as mature in sales terms as the United States or Europe.

Investor's Asia				
Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225		
3200	1850	4000		
2500	1500	3500		
2000	1200	3000		
1500	1000	2500		
1000	800	2000		
500	600	1500		
0	400	1000		
Exchange	Index	Wednesday/Prev. Close	Close	% Change
Hong Kong	Hang Seng	1550.93	1550.71	+0.01
Singapore	Straits Times	1528.90	1528.80	-0.12
Sydney	All Ordinaries	3293.50	3292.62	+0.10
Tokyo	Nikkei 225	3293.50	3292.62	+0.10
Kuala Lumpur	Composite	Closed	598.50	
Bangkok	Book Club	882.71	889.82	-0.80
Seoul	Composite Stock	Closed	807.97	
Taipei	Weighted Price	7075.50	7339.71	-3.60
Manila	Composite	740.31	773.50	-4.29
New Zealand	Barclays	1790.13	1814.62	-1.35
Bombay	National Index	426.93	427.93	-0.23

Sources: Reuters, AFP
International Herald Tribune

VISAS: Only Experts Need Apply

(Continued from first finance page)
said Mr. Kenney, whose service has been embarrased by court decisions overturning its H-1 rulings barring professionals. "Now you have to submit evidence that you are recognized in your field. You have to tell us why you qualify, we don't tell you."

This may sound like trying to hit a moving target, but in practice, the INS looks for at least a bachelor's degree in the field — which many nonprofessional European universities do not award — or equivalent work experience. That means making up a resume every bit as complex and often self-serving as the one needed to get the job in the first place.

"This is spawning a whole cottage industry of experts," said Elizabeth Espin, an immigration lawyer with Shaw, Pittman, Potts & Trowbridge in Washington. Instead of going into court to challenge the INS, a new breed of lawyer is earning handsome fees becoming expert in gathering testimonials from professional societies and trade organizations.

Worse may be in store, said Mr. Ruthazer, if Congress passes a bill already approved by the House immigration subcommittee and sponsored by Rep. Bruce Morrison, a Connecticut Democrat who is running for governor and seeks union support.

Mr. Morrison's bill, called the

Sri Lanka To Halt Tax on Foreigners

Reserve
COLOMBO — Sri Lanka will soon remove a 100 percent tax on foreigners buying shares in local companies, the cabinet spokesman, Ranjan Wijeratne, said Wednesday.

He said foreigners will be able to buy up to 40 percent of the equity in a company free of the tax.

The Colombo Stock Exchange soared to its highest level in several weeks because of the tax decision.

Whirlpool Link To Matsushita

Agence France-Press
DANVILLE, Kentucky — Whirlpool Corp. and the Japanese electronics giant Matsushita Electric Industrial Co. announced Tuesday they had signed a joint venture to produce vacuum cleaners for North America.

Whirlpool, which is based in Benton Harbor, Michigan, and Osaka-based Matsushita will jointly own and operate Whirlpool's vacuum manufacturing plant in Danville.

Whirlpool will continue marketing and manufacturing vacuum cleaners while Matsushita was expected to use the Kentucky facility to expand its manufacturing and marketing base in North America.

RATES: Bankers Await Outcome of German Union

(Continued from first finance page)
which means relatively stable exchange rates."

The core concern, Mr. Lusser said, is that "not even the Bundesbank knows what unification will really mean." As a result, "central banks worldwide will not touch monetary policy until the process of unification is clarified."

Although the Bundesbank is a usual participant at the IMC conferences, it was absent this year. On short notice, Bundesbank president Karl Otto Pöhl said the pressing work load of German unification obliged him to remain at home.

In the view of commercial bankers attending the meeting, concern about the policy stance of the Bundesbank is based not only on the real costs of German unification but also on the perceived need

for the central bank to repair the damage to its prestige.

On numerous occasions in the preparations leading to German unification, it has been clear that the Bundesbank has not been informed of the Bonn government's intentions.

Whether this has seriously hurt the position of the Bundesbank as the world's most independent central bank is a subject of debate.

The central bank governors went out of their way to reaffirm their confidence in the Bundesbank's capacity to manage the problems of unification and play down the significance of the public differences between the bank and the government.

The majority view among the commercial bankers was summed up by Dennis Weatherstone, chairman of Morgan Guaranty Trust.

GT INVESTMENT FUND

Société d'Investissement à Capital Variable
Registered Office: 2, Boulevard Royal, L2953 Luxembourg.
R.C. Luxembourg No. B 7443.

ANNUAL GENERAL MEETING

Notice is hereby given to the shareholders, that the annual general meeting of GT INVESTMENT FUND will be held at the head office of Banque Internationale à Luxembourg, Société Anonyme, 2, Boulevard Royal, L2953 Luxembourg, on Friday, June 15, 1990 at 10:00 a.m. with the following agenda:

1. To hear and accept the Reports of:
 - a) The Directors,
 - b) The Auditor.
2. To approve the Report of the Directors for the year ended 31st December, 1989 including the Statement of Net Assets as at 31st December, 1989 and Statement of Operations for the year ended 31st December, 1989.
3. To discharge the Board of Directors and Auditor with respect of their performance of duties from 1st January, 1989 to 31st December, 1989.
4. To elect as Directors to serve until the next Annual General Meeting of Shareholders: D.H. FitzWilliam-Lay, G. Arendt, P. Aymer, J.A. Dick, A. Elvinger, R. Halberg, G. de Mailly Neale, R. Reimpelt, J. Vroegop, K. Ismaïl, E. Nakajima, A. Kikawa.
5. To elect as Auditor to serve until the next Annual General Meeting of Shareholders: Coopers & Lybrand S.C.
6. To declare a dividend in respect of the year ended 31st December, 1989.
7. Any other business.
8. Adjournment.

The shareholders are advised that no quorum is required for the items on the agenda of the Annual General Meeting and that decisions will be taken on a simple majority of the shares present or represented at the meeting. In order to take part in the meeting of 15 June, 1990, the owners of bearer shares will have to deposit their shares five clear days before the meeting with one of the following banks who are authorized to receive the shares on deposit:

- Banque Internationale à Luxembourg, 2, Boulevard Royal, L-2953 Luxembourg.
- Crédit Industriel et Commercial, 66, Rue de la Victoire, F-75009 Paris.

THE BOARD OF DIRECTORS

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THE WORLD CUP FINALS

Powerhouse Brazil
Now Has a Defense

Compiled by Our Staff From Dispatches

ROME — Soccer fans expecting to see Brazil's usual exuberant offensive play at this year's World Cup may be in for a surprise.

Defense, not offense, is now the team's forte.

Coach Sebastião Lazaroni is convinced that defense, or the lack of it, is the reason three-time world

GROUP C ASSESSMENT

champion Brazil hasn't won a World Cup since 1970.

The watchwords now are "combattiveness, seriousness and determination," says Lazaroni. He has added a new dimension, a European-style "sweeper" to Brazilian soccer. Since he did so last year, Brazil has been virtually unbeatable, winning its first South American championship since 1949 and sweeping aside its qualifying opponents. The new formation allows midfielders such as Silas and Valdo the freedom to attack without worrying about the defense.

The change amounted to a revolution. Many Brazilians privately felt that defense was what other teams should worry about.

"The Brazilian player learned to make sacrifices in the tactical aspect," says midfielder Dunga. "Before, we played a very pretty, refined and much applauded style of soccer, but in the end our opponents won. Now we are aware of the importance of victory and don't care if we get it playing ugly soccer."

Up front, Lazaroni has the luxury of four world-class strikers in Careca; Romário, who is recovering from a broken leg and might not play until the second round; the slightly built but exceptionally talented Bebeto, and 1986 veteran Muller.

At the back, goalkeeper Claudio Taffarel not only defies custom by using both names, he is also the best at the position that Brazil has produced in a long while.

The star of the team is Careca, a brilliant 29-year-old center-forward now on his third World Cup squad. Careca has been called the best player in the world by Argenti-

na's Diego Maradona, who himself is often cited for that title.

Brazil has a unique record: It is the only country to have participated in every World Cup and has played and won more tournament matches than any other country.

Sweden won its qualifying group by winning four games and tying England twice. Even so, offense may be the biggest concern, although Tomas Brodin, who scored twice in a recent 4-2 victory over Wales, has emerged as a new hope in case Johnny Ekström, once considered a dangerous striker, fails to live up to his reputation. Defensively, the Swedes are solid, especially through the middle.

The coach, Olof Nordin, will rely on strikers Mats Magnusson and Stefan Pettersson to display the goal-scoring touch they showed for their club teams, Benfica of Portugal and Ajax Amsterdam. A berth in the second round is quite possible for the Swedes.

Just barely qualifying for the final round, Scotland is, as always, a team of promise and potential. A month after the Scots stunned Argentina, 1-0, in a friendly match in March, they blew a chance to defeat East Germany and lost, 1-0. In May, they lost to Egypt and tied Poland, a team the United States beat, 3-1. The inadequacies have left the coach, Andy Roxburgh to continually juggle his players, in search of the right combination, if one exists.

This is Costa Rica's first appearance in the final round.

In a shake-up during the spring, Bora Milutinovic of Yugoslavia replaced Marvin Rodriguez and began revamping the team by dropping six regulars and adding more than a dozen others.

What is left is a team striving to find style and form, and which, for the time being, will rely on solid defense, anchored by goalkeeper Luis Gabeiro Conejo, and the best of the scorers, Juan Cayasso. So far, the results have been distressing, with recent losses to two teams that did not make the cup finals, Poland and Wales. (NYT, AP)



René Higuita, the athletic goalie of the Colombian team, being put through his paces during training.

Advancing Teams, Advanced Math

ROME — Calculators may be needed to work out which 16 of the 24 teams in the World Cup finals survive the first round of group matches.

Under the complicated system first used at the 1986 finals in Mexico, the top two teams in each of the six groups qualify for the second phase of the tournament.

But that leaves the second round four teams short, so the four most successful of the third-place teams will also advance.

This means that teams which lose their first two group matches may still qualify if they win their third game.

That is where the calculators come in. The best four third-place finishers will be chosen, first, by their total points, then, if necessary, from their goal difference and, then, if still necessary, by which team has scored the most goals.

If after all this there are still two or more teams vying for that last place in the second round, FIFA will draw lots.

To decide group placings, there is an additional method for deciding between teams which finish

even on points, goal difference and goals scored.

If two teams remain deadlocked after these three considerations, the result of the match between them will decide. Lots will be used as a last resort.

It is a complex system but one that ensures a cliff-hanging finish to the final round of group matches between June 18 and 21.

West Germany Has
Scorers, Incentive

Compiled by Our Staff From Dispatches

ROME — West Germany has a chance to create soccer history: It can become the first nation to reach the championship game in three straight World Cups.

It also could become the first to lose three straight finals, following defeats to Italy in 1982 and Argentina in 1986. Either way, there

GROUP D ASSESSMENT

seems little doubt West Germany will again be a force in soccer's showcase event.

Coach Franz Beckenbauer, who captained West Germany to victory in 1974, has restructured the squad since the 1986 final in Mexico and this team has few weaknesses.

Foremost among the players is Thomas Häßler, a 23-year-old midfielder blessed with ideal finishers in Lothar Matthäus, playing in his third World Cup, Rudi Völler and Jürgen Klinsmann. The defense might not be as intimidating as in the past, but it might not seem to be a problem.

Of Matthäus, Beckenbauer says: "There are times when he does not know himself how good he really is." The West Germans will also have considerable support in Milan from their home fans and the Italians. Andreas Brehme, Klinsmann and Matthäus all live in the Italian League.

Völler and Berthold both play for Roma. The talent and organization of the West Germans, plus the Italian experience of nearly half the starting lineup, are ample reason why this team is so highly regarded.

In Mexico, the West Germans played solid if unspectacular soccer. They also demonstrated one of their great strengths: the ability to win even when not playing well. But that tournament ended with a 3-2 victory by Diego Maradona and his inspired Argentina team.

Now, too, there is another incentive: This will be West Germany's last World Cup. By 1994, when the United States is the host nation, East and West will have reunited,

and it will be simply Germany that takes the field.

Yugoslavia, which opens against West Germany on Sunday, has a double-edged sword of expectation. Many of its players are talented enough to compete for European clubs, yet they return for national matches with an assortment of styles that are not always compatible. Their success in Italy could well depend upon how well they have learned to play with each other.

The team's performance will largely depend on its best player, midfielder Dragan Stojkovic, who has signed for Olympique Marseille and will start playing for the French team after the championships.

"Our main task is to place at least second in the group in which the Germans are clear favorites," said their coach, Ivica Osim, adding that his team has "to concentrate for the game against Colombia, which will be decisive."

In preparing for the final round, Colombia's players have survived everything from the murder of a referee during a league game to threats by drug lords to assure certain results to cancellation of league play. Undaunted, the team pressed on and developed one of the best goalkeepers in the world, René Higuita, who often roams far from the nets to join Colombia's other defenders in play.

This is Colombia's first final-round appearance since 1962 and second ever.

This is the United Arab Emirates' first time in the final round, and it reached Italy against all odds in qualifying by upsetting China.

With virtually no soccer tradition and one of the youngest teams in the tournament, the UAE is not expected to cause much of a ripple. In qualifying, it scored just four goals and won only one of five games, tying four. Then, the federation fired two coaches before rehiring Carlos Alberto Parreira of Brazil, who had been there four years before leaving for Saudi Arabia.

Alberto, who has a fat contract but a slim chance of getting his team past the first round. (NYT, UPI)

Ladbroke's Odds

Odds of winning the cup, from Ladbroke's, a British bookmaker:

Italy: 5-2
Brazil: the Netherlands: 9-2
West Germany: 6-1
Argentina: 8-1
Soviet Union: 12-1
England, Spain: 14-1
Belgium, Uruguay, Yugoslavia: 25-1
Ireland, Scotland, Sweden: 33-1
Austria, Colombia: 50-1
Czechoslovakia, Romania: 66-1
Cameroon, Egypt, S. Korea: 250-1
Costa Rica, United Arab Emirates, United States: 500-1

GROUP C

Games in Turin and Genoa (Jersey numbers in parentheses)

Brazil

Goalkeepers: (1) Claudio Taffarel, (2) Ze Carlos.
Defenders: (3) Branco, (12) Mazinho, (20) Jorginho, (21) Mauro Gama, (14) Aldair, (3) Ricardo Gomes, (19) Ricardo Rocha, (13) Carlos Mozer.
Midfielders: (10) Silas, (8) Valdo, (7) Socrates, (20) Tita, (5) Alemão, (4) Dunga.
Forwards: (9) Careca, (15) Muller, (16) Bebeto, (11) Romário, (17) Renato.

Sweden

Goalkeepers: (22) Thomas Ravelli, (1) Sven Andersson, (12) Lars Eriksson.
Defenders: (2) Jan Eriksson, (3) Glenn Hysen, (4) Peter Larsson, (7) Roger Ljung, (5) Roland Nilsson, (2) Niclas Hylander, (8) Stefan Schwarz.
Midfielders: (9) Leif Engqvist, (10) Klas Ingesson, (11) Ulfrik Jansson, (13) Anders Linper, (14) Joakim Nilsson, (15) Glenn Strömberg, (16) Jonas Thon.
Forwards: (17) Tomas Brodin, (18) Johnny Ekström, (19) Mats Gren, (20) Mats Magnusson, (21) Stefan Pettersson.

Costa Rica

Goalkeepers: (1) Luis Gabeiro Conejo, (21) Herminio Barrantes, (22) Miguel Segura.
Defenders: (3) Roger Flores, (20) Mauricio Montero, (5) Marvin Obando, (2) Vladimir Quirós, (4) Ronald González, (15) Ronald Marín, (18) Geovanni Jara.
Midfielders: (13) Héctor Marchena, (10) Oscar Ramírez, (6) José Carlos Chaves, (19) Miguel Davis, (9) Alexandre Guimarães, (8) Germán Chavarría.
Forwards: (14) Juan Arnoldo Cayasso, (7) Hernán Medford, (16) José Jajal, (17) Roy Meyers, (12) Roger Gómez, (11) Claudio Jara.

Scotland

Goalkeepers: (1) Jim Leighton, (12) Andy Goran, (22) Bryan Gunn.
Defenders: (3) Stewart McKinnon, (6) Maurice Malpas, (4) Rickie Smith, (2) Alex McLeish, (11) Gary Gillespie, (15) Craig Lovell, (19) Dave McPherson, (10) Murdoch MacLeod.
Midfielders: (3) Roy Aitken, (8) Jim Bett, (5) Paul McStay, (18) John Collins, (16) Stuart McCall, (20) Gary McAllister.
Forwards: (7) Maurice Johnston, (9) Ally McCoist, (13) Gordon Durie, (14) Alan McNally, (21) Robert Fleck.

GROUP D

Games in Milan and Bologna (Jersey numbers in parentheses)

West Germany

Goalkeepers: (12) Rainer Ummann, (1) Bodo Illgner, (22) Andreas Köpcke.
Defenders: (5) Klaus Augenthaler, (4) Jürgen Kohler, (19) Hans Pötgler, (2) Stefan Reuter, (14) Thomas Berthold, (3) Andreas Brehme, (6) Guido Buchwald, (16) Paul Steiner.
Midfielders: (15) Uwe Bein, (8) Thomas Häßler, (7) Pierre Littbarski, (21) Günther Hermann, (10) Lothar Matthäus, (17) Andreas Möller, (20) Olaf Thon.
Forwards: (18) Jürgen Klinsmann, (11) Frank Mill, (13) Karlheinz Riedle, (9) Rudi Völler.

Yugoslavia

Goalkeepers: (1) Tomislav Ivkovic, (12) Fahrudin Omerovic, (22) Drago Lekovic.
Defenders: (3) Predrag Spasojevic, (2) Vujadin Stanjokovic, (4) Zoran Vulić, (18) Mirsad Baljic, (5) Faruk Hadzibegovic, (6) Davor Zovic, (17) Robert Jarni.
Midfielders: (7) Dragoljub Brnovic, (21) Andrej Fecanovic, (16) Nefek Sebanovic, (2) Sreco Katanec, (10) Dragan Stojkovic, (15) Robert Prosinecki.
Forwards: (8) Sretko Susic, (19) Davor Suker, (11) Zlatko Vujovic, (20) Davor Suker, (9) Darko Panov, (14) Alen Boksic.

United Arab Emirates

Goalkeepers: (17) Mohsen Mubareh, (22) Abdul Qadir Hassan, (1) Abdullah Mousa.
Defenders: (15) Ibrahim Mir, (4) Mubarak Ghanem, (2) Khalil Ghanem, (20) Yousef Hassan, (21) Abdul Rahman Haddad, (19) Issa Mir, (6) Abdullah Sultan, (16) Muhammad Salim Mubarek.
Midfielders: (14) Nasser Khamis, (8) Khalid Ismail, (5) Abdul Rahman, (12) Hassan Ghuloum, (13) Hassan Ghuloum.
Forwards: (3) Ali Thani, (11) Zuhair Belhit, (10) Adnan Talyani, (7) Fahd Khamis, (9) Abdul Aziz Mohammed.

Colombia

Goalkeepers: (1) René Higuita, (12) Eduardo Nino.
Defenders: (2) Andrés Escobar, (4) Luis Fernando Herrera, (15) Luis Carlos Perea, (21) Alexis Mendoza, (3) Gilmar González, (5) León Fernando Villa, (13) Carlos Mario Hoyos, (17) Geovanni Cassiani.
Midfielders: (10) Carlos Valderrama, (14) Leonel Álvarez, (6) Ricardo Pérez, (11) Bernardo Redin, (20) Alfonso Pájar, (8) Gabriel Jaime Gómez, (18) Wilmer Cabrera, (19) Freddy Rincón.
Forwards: (16) Arnoldo Iguarán, (22) Rubén Darío Hernández, (7) Carlos Enrique Estrada, (9) Miguel Guerrero.

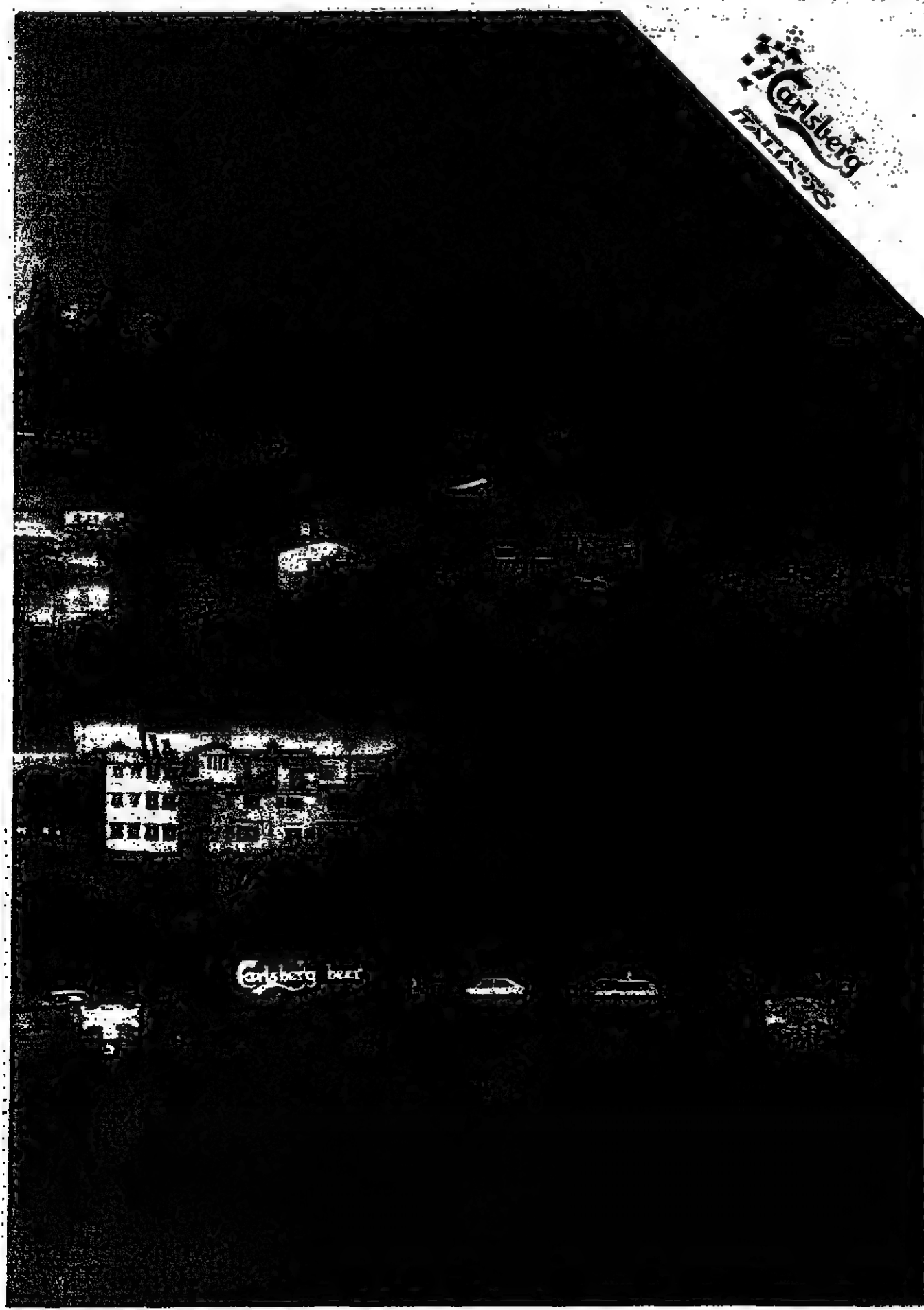
Those Won't Be Talent Scouts Using the Binoculars

ROME — Secret agents are being mobilized to keep an eye on the games.

The interior ministry said Wednesday that 10 agents from military and civil intelligence would be allowed into each stadium during matches. They and as many as 40 plainclothes policemen would be engaged in "activities of a secret nature."

a statement said, apparently in reference to fears that terrorists may try to exploit the World Cup.

Thousands of uniformed police and paramilitary carabinieri will be on guard at the 12 stadiums. But the ministry ordered off duty policemen not to turn up — and try to get in free to watch the soccer games.



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TELEVISION LISTINGS FOR ASIA, THE AMERICAS

Hours listed next to matches: starting times in Italy; all broadcast times are local.

Friday, June 8

Argentina vs. Cameroon, 6 P.M. Canada: TSN, RDS, at noon, repeat at 8:30 P.M.
United States: TNT, UNI, noon.
Egypt: Channel 5, A at 6:48 P.M.
United Arab Emirates: UAE channels 10/33, at 8 P.M.
Australia: SBS-TV, Saturday, at 2 A.M., repeat at 4:50 P.M.
Hong Kong: ATV, TVB, 11:45 P.M.
Indonesia: RTCL, at 10:05 P.M.
Japan: Saturday, NHK Sat. 1 at 1 A.M., repeat at 1 P.M.; at 1 A.M. on NHK Channel 1 in Tokyo, NHK Channel 2 in Osaka, NHK Channel 3 in Nagoya.
Malaysia: RTM1, at midnight.
South Korea: KBS1, MBC11.
Taiwan: CTS, tape at 2 P.M. Sunday.
Thailand: TV3, at 10:45 P.M.

Saturday, June 9

A U.S.S.R. vs. Romania, 5 P.M. B UAE vs. Colombia, 5 P.M. C Italy vs. Austria, 9 P.M. Canada: TSN, RDS, A at 10:55 A.M.; B tape at 5 P.M.; C at 2:55 P.M., repeat at 8:30 P.M.
United States: A, at 11 A.M. on TNT; B, at 10:45 on UNI; C, at 3 P.M. on TNT, at 2:45 on UNI.
Egypt: Channel 9, A at 5:48 P.M.; Channel 5, C at 9:48 P.M.; B tape at 3 P.M. Monday.
United Arab Emirates: UAE all channels, at 6:48 P.M.; Channel 10, A-tape at 9:10 P.M.; channels 10/33, C at 10:48 P.M.

Sunday, June 10

A U.S. vs. Czechoslovakia, 5 P.M. B Brazil vs. Sweden, 9 P.M. C W. Germany vs. Yugoslavia, 9 P.M. Canada: TSN, RDS, A at 10:55 A.M.; B at 2:55 P.M., repeat at 8:30 P.M.; C tape at 5 P.M.
United States: A, at 11 P.M. on TNT, at 10:45 on UNI; B at 3 P.M. on TNT, at 2:45 P.M. on UNI.
Egypt: Channel 5, B at 5:48 P.M.; C tape at 3 P.M. Wednesday; Channel 9, A tape at 3 P.M. Tuesday.
United Arab Emirates: UAE Channel 10, A at 6:48 P.M.; channels 10/33, B at 10:43 P.M.; C tape at 5:15 P.M. Monday.

Monday, June 11

Australia: SBS-TV, on Monday, A tape at 7:00 A.M., repeat at 4:50 P.M.; C at 4:45 A.M., repeat at 3:10 P.M.
Hong Kong: ATV, TVB, highlights at 7:35 P.M.; A at 10:45 P.M.; Sunday, B tape at 1 A.M., C at 2:45 A.M.
Indonesia: RTCL, A tape at 11:50 P.M.; B at 9:40 P.M.; C at 1:50 A.M. Sunday.
Japan: NHK Sat. 1, A at midnight, repeat at noon Sunday; on Sunday, B tape at 2 A.M., repeat at 2 P.M.; C at 3:55 A.M., repeat at 4 P.M.
Malaysia: RTM1, A or B at 11 P.M., C at 3 A.M. Sunday.
Singapore: SBC-12, A at 11 P.M. On Sunday, B at 1:00 A.M.; C at 3 A.M.; highlights at 7 P.M.
South Korea: KBS1, MBC11.
Taiwan: CTS, on Monday, A tape at 3:30 P.M., C tape at 11:30 P.M.; on Tuesday, B tape at 3:30 P.M.
Thailand: TV3, A tape at midnight; B at 9:50 P.M. On Sunday, C at 1:50 A.M., repeat at 5:30 P.M.

Tuesday, June 12

A Belgium vs. South Korea, 5 P.M. B Netherlands vs. Egypt, 9 P.M. Canada: TSN, RDS, A at 10:55 A.M.; B at 2:55 P.M., repeat at 11:30 P.M. United States: UNI highlights 10 P.M. Egypt: Channel 9, A at 5:48 P.M.; Channel 5, B at 9:48 P.M.
United Arab Emirates: UAE Channel 10, A at 6:48 P.M.; channels 10/33, B at 10:48 P.M.
Australia: SBS-TV, Wednesday, A at 0:30 A.M., repeat 3:10 P.M.; B at 4:45 A.M., repeat 4:50 P.M.; C at 4:45 A.M., repeat 4:50 P.M.; B at 2:45 A.M. Wednesday.
Indonesia: RTCL, A at 9:40 P.M.; B at 1:30 A.M. Wednesday.
Japan: NHK Sat. 1, A at midnight, repeat noon Wednesday; B at 3:55 A.M. Wednesday, repeat at 2 P.M.
Malaysia: RTM1, A at 11 P.M., B at 3 A.M. Wednesday.
Singapore: SBC, A at 11 P.M. On Wednesday, B at 3 A.M.; highlights at 7 P.M.
South Korea: KBS1, MBC11.
Taiwan: CTS, A tape at 3:30 P.M. Thursday, B tape, 3:30 P.M. Friday.
Thailand: TV3, A at 9:50 P.M.; Wednesday, B at 1:45 A.M., repeat at 5:30 P.M.

Wednesday, June 13

A Uruguay vs. Spain, 5 P.M. B Argentina vs. U.S.S.R., 9 P.M. Canada: TSN, RDS, A at 10:55 A.M.; B at 2:55 P.M., repeat 7:30 P.M. United States: B at 3 P.M. UNI.
Egypt: Channel 9, A at 5:48 P.M.; Channel 5, B at 9:48 P.M.
United Arab Emirates: UAE channels 10/33, A at 6:48 P.M.; B at 10:43 P.M.
Australia: SBS-TV, on Thursday, A at 0:30 A.M., repeat at 3:10 P.M.; B at 4:45 A.M., repeat at 4:50 P.M.
Hong Kong: ATV, TVB, highlights at 7:35 P.M.; A at 10:45 P.M.; B at 1:50 A.M., C tape at 4:30 P.M.
Japan: NHK Sat. 1, A at midnight, repeat at noon Monday; Monday,

C at 3:55 A.M., repeat at 2 P.M.; B

at 6 A.M., repeat at 4:15 P.M. Malaysia: RTM1, A at 11 P.M., B or C at 3 A.M. Monday.

Singapore: SBC, A at 11 P.M.; Monday, B at 3 A.M.; highlights at 7 P.M. South Korea: KBS1, MBC11.

Taiwan: CTS, A tape at 11:30 P.M. Tuesday, on Wednesday, C tape at 3:30 P.M., B tape at 11:30 P.M. Thailand: TV7, A tape at 9:40 A.M. On Monday, B at 1:45 A.M., repeat at 5:30 P.M.; C tape at 4:00 A.M.

Monday, June 11

A Costa Rica vs. Scotland, 5 P.M. B England vs. Ireland, 9 P.M. Canada: TSN, RDS, A at 10:55 A.M.; B at 2:55 P.M., repeat midnight. United States: TNT, B at 3 P.M.; UNI highlights at 10 P.M. Egypt: Channel 5, A at 5:48 P.M.; Channel 5, B at 9:48 P.M.
United Arab Emirates: UAE Channel 10, A at 6:48 P.M.; channels 10/33, B at 10:48 P.M.
Australia: SBS-TV, on Tuesday, A at 0:30 A.M., repeat at 3:10 P.M.; B at 4:45 A.M., repeat at 4:50 P.M.; C at 4:45 A.M., repeat 4:50 P.M.; B at 2:45 A.M. Tuesday.
Indonesia: RTCL, A at 9:40 P.M.; B at 1:30 A.M. Tuesday.
Japan: NHK Sat. 1, A at midnight, repeat at noon Tuesday; B at 3:55 A.M. Tuesday, repeat at 2 P.M. Malaysia: RTM1, A at 11 P.M., B at 3 A.M. Tuesday.
Singapore: SBC, A at 11 P.M.; Tuesday, B at 3 A.M.; highlights at 7 P.M. South Korea: KBS1, MBC11.

Tuesday, June 12

Taiwan: CTS, A tape at midnight Thursday, B tape at midnight Friday. Thailand: TV9, A at 9:50 P.M.; Tuesday, B at 1:45 A.M., repeat 5:30 P.M.

Thursday, June 14

A Yugoslavia vs. Colombia, 5 P.M. B Cameroon vs. Romania, 5 P.M. C Italy vs. U.S., 9 P.M. Canada: TSN, RDS, A at 10:55 A.M.; B tape at 1 P.M.; C at 3 A.M., repeat at midnight.

United States: C, 3 P.M. TNT, UNI. Egypt: Channel 9, A at 5:48 P.M.; Channel 5, C at 9:48 P.M.; B tape at 3 P.M. Friday.
United Arab Emirates: UAE channels 10/33, A at 6:48 P.M.; Channel 10, B tape at 9:10 P.M.; channels 10/33, C at 10:48 P.M.
Australia: SBS-TV, Friday, A at 0:30 A.M., repeat 1:30 P.M.; B tape at 2:50 A.M., repeat 3:10 P.M.; C at 4:45 A.M., repeat 4:50 P.M.
Hong Kong: ATV, TVB, highlights at 7:35 P.M.; B at 10:45; Friday, A tape at 1 A.M.; C at 2:45 A.M.
Indonesia: RTCL, A at 9:40 P.M.; B tape at 11:50; C at 1:40 A.M. Friday.
Japan: NHK Sat. 1, A at midnight, repeat 4 P.M. Saturday; Friday, C at 3:55 A.M., repeat 4:15 P.M.; B tape at 2 P.M., repeat midnight Tuesday.

Friday, June 15

A Austria vs. Czechoslovakia, 5 P.M. B West Germany vs. UAE, 9 P.M. Canada: TSN, RDS, A at 10:55 A.M.; B at 2:55 P.M., repeat at 8:30 P.M. United States: UNI, highlights at 10 P.M. Egypt: Channel 9, A at 5:48 P.M.; Channel 5, B at 9:48 P.M.
United Arab Emirates: UAE Channel 10, A at 6:48 P.M.; all channels, B at 10:43 P.M.
Australia: SBS-TV, on Saturday, A at 0:30 A.M., repeat at 3:10 P.M.; B at 4:45 A.M., repeat at 4:50 P.M.
Hong Kong: ATV, TVB, highlights at 7:35 P.M.; A at 10:45 P.M.; B at 2:45 A.M. Saturday.
Indonesia: RTCL, A at 9:40 P.M.; B at 1:40 A.M. Saturday.
Japan: NHK Sat. 1, A at midnight, repeat at noon Saturday; B, at 3:55 A.M. Saturday, repeat at 2 P.M.; highlights of the week at 11:57 A.M. on NHK Channel 1 in Tokyo, on NHK Channel 2 in Osaka, on NHK Channel 3 in Nagoya.
Malaysia: RTM1, A at 11 P.M., B at 3 A.M. Saturday.

Saturday, June 16

Singapore: SBC, A at 11 P.M.; Saturday, B at 3 A.M.; highlights at 7 P.M. South Korea: KBS1, MBC11.
Taiwan: CTS, on Tuesday, A tape at 3:30 P.M., B tape at 11:30 P.M. Thailand: TV9, A at 9:50 P.M. Saturday, B at 1:45 A.M., repeat 5:30 P.M. All times EDT.

Schedules unavailable.

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GROUP C

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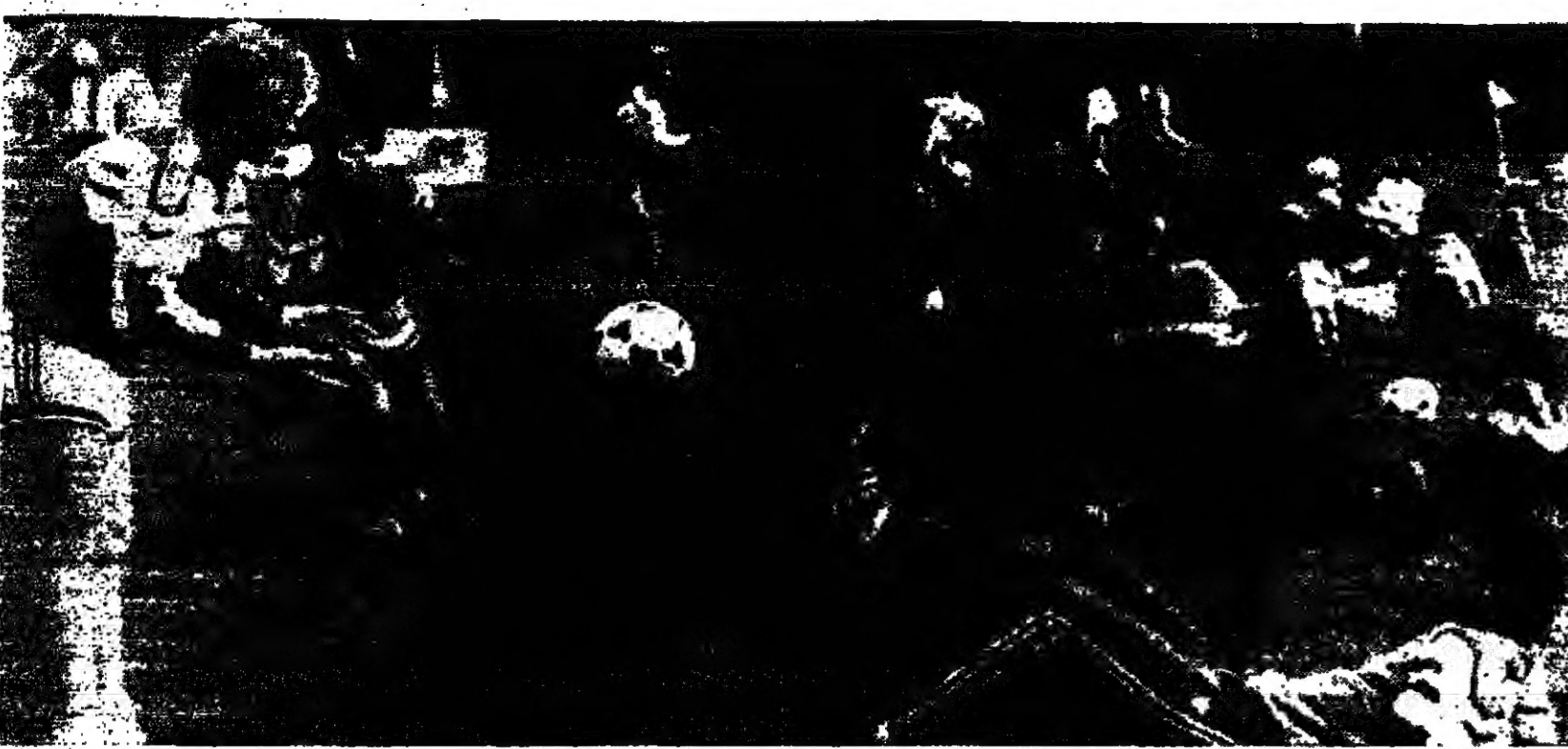
Austria's Explosive Scorer Polster Has the Potential to Dominate

By Michael Janofsky
New York Times Service
ARTIMINO, Italy — For a back-
drop, Toni Polster could not have chosen
a more regal setting.
Behind him, atop a peak in the Tus-
can hills about 15 miles (24 kilometers)
northwest of Florence, stands the Villa
d'Artimino, a four-story, 16th-century
stone mansion once known as the Villa
of the 100 Chimneys, for obvious rea-
sons, and once a summer home of the
Medici family.
These days, the building is part muse-
um and part meeting hall, and for the

time being, an activity center for Aus-
trian's national soccer team, which is
training in the town next door, Com-
mensa, for its opening match in the
World Cup finals Saturday against Ital-
y.
The luxurious backdrop seemed en-
tirely appropriate for Polster, 26, a for-
ward and team captain who has blossomed
into one of the world's most explosive
scorers.
The only Austrian playing for a for-
eign team, Seville in Spain, he is easily
the best scorer among the teams
grouped with Austria for the first

round: Italy, Czechoslovakia and the
United States.
Beyond that, however, Polster is one
of the few players who is generally
viewed as having the potential to domi-
nate World Cup matches the way other
players have in the past — if not quite to
the level of Pelé in 1962, Paolo Rossi in
1982 or Diego Maradona in 1986, then
close.
An imposing figure at 6 feet, 2 inches
and 176 pounds (1.87 meters and 79.2
kilograms), Polster scored 33 goals this
season with Seville, which ranked him
third in Europe.
"He is a typical striker with the in-
stincts for a dangerous situation," said
Josef Hickersberger, the coach of the
Austrian team. "But he stays quiet
and calm in the goal area, always keep-
ing his head to see where he had to
finish."
At home in Vienna, Polster has be-
come something of a hero, a familiar
face wherever he goes and now a favorite
of the fans.
But it was not always so, and Pol-
ster's recent rise to Elysian heights in
Austrian society reflects how public
passion can love, hate, then love again,
within a short space of time.

transferred to Seville for \$2 million, and
his efficiency improved significantly.
But at the same time, he found his
proclivities were becoming a curse.
"People began to get angry," he said
Tuesday, standing on the steps of the
villa.
"They were angry I was earning money
outside Austria and they started
thinking that I should score three or
four goals every game," he said.
The public's discontent reached its
height during the final stages of Aus-
trian's World Cup qualifying matches, as
Polster failed to score in a 0-0 draw with
the Soviet Union and a 3-0 loss to
Turkey.
As he took the field in Vienna for the
final qualifying match, when the Aus-
trians needed a victory to advance, he was
showered with boos and whistles.
He was stunned.
The final score: Austria 3, East Ger-
many 0.
Polster scored all three goals.
"He wanted to show all of them he
could win the game alone," said Hic-
kersberger. "He did."
Leaving the field, Polster was show-
ered again, but with waves of wild adu-
lation and appreciation.
"I was angry at first," Polster said.
"But it's O.K. now. I have forgotten
about it, but I hope that the people have
learned something."



Oleg Kuznetsov, left, and Oleg Protasov had a different way of practicing ball control as the Soviet Union team conducted its training session at Ciocco in Tuscany.

Havelange Is Re-Elected Head Of FIFA at Raucous Congress

Compiled by Our Staff From Dispatches
ROME — Jolo Havelange was
re-elected Wednesday to a fifth
four-year term as president of FIFA
as the governing body's Congress
retained the hierarchy of soccer
powers at the expense of emerging
nations, but did approve measures
to keep the game up to date.
Havelange, the 74-year-old
Brazilian lawyer and entrepreneur, was
unopposed. He became FIFA's
president in 1974 when he took
over from Sir Stanley Rous.
An African proposal to reduce
the clout of the United Kingdom
and other traditional strongholds
in FIFA's hierarchy, and give
greater say to Africa, Asia, Oceania
and North and Central America,
did not get the required 75 percent
of the vote.
"Sooner or later they will have to
change, you have to have some
equality of some sort," said David
Phiri, chairman of the Zambian
federation.
"Everything stays the good, old,
same situation," said Michel
D'Hooghe, a FIFA executive com-
mittee member from Belgium. "All
the radical proposals were refused by
the Congress."
The United Kingdom now has
four votes — because of its four
federations — and is assured of one
of the nine vice presidencies in the
world soccer federation.
England, Wales, Scotland and
Northern Ireland are full members
of FIFA.
"To give four votes by virtue of
being British is just not good
enough," said Said Emsamany of
Tanzania, who made the proposal
as representative of the African na-
tions.
Africa and Asia have just one
vice president each, compared with
four from Europe, including one
reserved for the Soviet Union.
"The situation is you scratch my
back, I'll scratch yours," said Phiri.
Even in World Cup qualifying
Africa feels underrepresented. It is
allocated two teams at the World
Cup; Europe gets 14.
"There is an injustice," said Emsamany.
The United Kingdom's preferential
treatment — based on its histor-
ical role as cradle of the game —
came in for some harsh criticism.
"There is no moral, legal or political
reason why Britain should still
be in this position," said Emsamany.
"Soccer has developed to such an
extent I don't see why we should be
disadvantaged against," said Phiri.
"We are no longer 100 years ago.
Everything is different now," said
Salah Ben Nasser, who heads the
Saudi delegation. "The British Isles
did a lot of good work, but now it's
time to be equal."
Looking at the podium of top
FIFA officials, he said "Look,
there is not a single African among
them."
The Congress did approve mea-
sures to speed up decision-making,
enabling it to adapt better to the
rapid pace of technological pro-
gress. It increased the clout of the
executive committee to handle
decisive issues since it meets twice
every year while the Congress
meets every two years.
This should improve FIFA's
handling of such issues as broad-
cast rights, which have come under
increasing stress because of the ex-
pansion of television the world
over.
"It is imperative that we direct
our attention to soccer in the third
millennium," Havelange said.
(AP, Reuters)



Havelange: Unopposed for a fifth four-year term.

WORLD CUP WARM-UP

Sardinia Ban: No Sales, No Drinking

CAGLIARI, Sardinia (Reuters) — Sardinian authorities Wednesday
imposed a draconian ban on alcohol in an attempt to prevent violence by
England's soccer hooligans.

The prefect of Cagliari, Mario Pini, who has for weeks resisted
pressure from Britain and the mayor of Cagliari for a ban, announced
that not only sales but the consumption of alcohol would be prohibited
before and after the three matches involving England.
An order signed by the prefect banned sales of alcohol in Cagliari and a
wide area around the city for nearly 48 hours before and after the matches
against Ireland on Monday, the Netherlands on June 16 and Egypt on
June 21.
Consumption of alcohol will be banned from midnight before the
matches to 8 A.M. the morning after. Italy's three police forces were
ordered to crack down on breaches of the ban, which the mayor's order
said would be punished under the law.

FIFA Delays Sanctions on Greece

ROME (AP) — FIFA's Congress decided Wednesday to give Greece
extra time to adapt its statutes to the world federation's regulations,
instead of imposing a penalty that could have kept the national team from
competing in September.

"There is no sanction now, but we are keeping a close watch on this,"
said a FIFA executive committee member, Michel D'Hooghe.
The Congress also overturned Jordan's six-month suspension, imposed
the day before because the country had organized international competi-
tions without FIFA's permission.

Players to Be Fined for Suspension

ROME (UPI) — FIFA's general secretary, Sepp Blatter, has an-
nounced that players will be penalized financially if they are suspended
during the World Cup.

The fine will be 5,000 Swiss francs (\$3,500) for two yellow cards
received in the opening phase of matches and 10,000 Swiss francs for a
red card. There will be no fine levied for one yellow card.
The fines will double for the second phase of matches and double again
for the third, in an attempt to encourage "gentlemanly conduct" Blatter
said Tuesday. The decision was made by the FIFA Disciplinary Commit-
tee.

Colombian striker Arnold Igarni was pronounced fit Wednesday to
play in his team's opening match against the United Arab Emirates on
Saturday.
Mo Johnston, the most successful cup striker in Scotland's history, said
Wednesday his torn stomach muscles were healing and that he hoped to
play in the opener against Costa Rica on June 11.
British goalkeeper Peter Shilton has injured his knee, although not
seriously, but two defenders, Paul Parker and Mark Wright, may not be
able to play in the game against the Irish, the team said Wednesday. (AP)

Sweden is likely to go into its opening match against Brazil without
injured captain Gunn Hysen, the team's manager, Olle Nordin, said
Wednesday. (UPI)
Valery Lobanovsky said he would retire as coach of the Soviet national
team after the World Cup finals. He has been with the team for almost
eight years as a coach and manager. (AP)

Quotable

• Franz Beckenbauer, West Germany's manager: "For me personally
this World Cup has no importance," but "I would wish it for the team
that they become world champions. They are such good characters."
(Reuters)

Correction

Because of an editing error, an assessment of the Belgian team and its
roster of players appeared in place of those of Romania in some editions
of Wednesday's International Herald Tribune.

Romanians: A Whole New Ball Game

Reuters
BARL, Italy — Romania's soccer
players have traveled light to the
World Cup, unburdened at last by
the sinister minders who used to
follow them everywhere.

After years of trailing players
abroad to stop them from defecting
to the West, the dreaded Securitate
police of the executed dictator Ni-
colae Ceausescu are nowhere to be
seen.
"Now it's possible to play with a
smile on your lips," said the Roman-
ian team's manager, Emerich Jend.

The players are enjoying a new
feeling of freedom and patriotism
since the revolution that toppled
Ceausescu last December.
It could lift the team to new
heights in their cup campaign,
which begins against the Soviet
Union on Saturday.

"Since the revolution morale is
100 percent better," said Jend.
"The mental attitude for life and
the game is better and you can ex-
pect to see that in the first match."
The players appeared happy and
relaxed when they arrived in Bari
and inspected the San Nicola stadi-
um where they will also face Cam-
eroon in Group B before playing
Argentina in Naples.



An Italian policeman at the West German team's training camp at Caldaro was the friendly sort, more participant than guard.

They are brimming with confi-
dence after eliminating the talented
Danes in a tough qualifying group
and are looking forward to their
country's first appearance in the
World Cup finals since 1970.

It is a far cry from the old days
for the deputy sports minister, Co-
nel Dinu, who played in the 1970
finals in Mexico and is now travel-
ing with the team.
"Now you don't see the two or
three people who were disguised as
part of the team but were working
for the Securitate," Dinu said.

"There used to be a great panic
because players were threatened
that some of their rights would be
lost. All these tactics have disap-
peared."
Dinu said the threats included
those of taking away cash rewards
if the team lost and restricting
travel abroad — one of the perks
enjoyed by soccer players under
Ceausescu.

Some Romanians fear the Secur-
itate could be operating again, but
Dinu said the changes were pro-
found in soccer.
"It's a 180 degree turn in a differ-
ent direction. Now the players are
even free to choose other clubs"
abroad he said.

"Of course we are hoping that the
players will do better and be
more imaginative and creative be-
cause of this, although it may take
some time creating a new system."
He added: "They should play
better because they won't be afraid
of somebody punishing them if
they don't win."

"But it's a very complex process
and is hard to anticipate. We were
not prepared for such a great
change and we don't have anyone
who can explain it to them."
But the players are delighted and
inspired by the changes, even
though none took part in the fight-
ing during the revolution.

"For me it's like coming out of
prison," said 31-year-old striker
Rodion Camataru.
For 20-year-old forward Florin
Raducanu, who is just breaking in
with the national team, it means a
chance to join a Western club and
make a fortune out of soccer.
"In my country the mentality has
changed in every field, including
football," he said with a broad grin.

Turf and Roof Diseases Strike at Cup Stadiums

Compiled by Our Staff From Dispatches
MILAN — The turf at new Giu-
seppe Meazza stadium hasn't taken
root and teams have been barred
from using the pitch for World Cup
training, but tournament organi-
zers, denying a press report that the
new turf at Milan's San Siro stadium
had failed to take root, have
promised a perfect field for Fri-
day's opening game between Ar-
gentina and Cameroon.

In Rome, a further problem with
Olympic Stadium arose Wednes-
day when heavy rain penetrated
openings in new roofing and
flooded the press box.
Olympic Stadium technicians
said material to seal the openings
would arrive in time for either Sat-
urday's first match between Italy
and Austria or for Italy's next
game, against the United States on
June 14.

"We are astonished that things
like this are still happening three
days before the Italy-Austria
match," said Italy's chief World
Cup organizer, Luca di Montezem-
olo.
Argentina had asked to be al-
lowed to practice on the Meazza
stadium's field Thursday after-
noon, but the request was refused.
West Germany was also denied
permission to practice at Meazza

for its opening match against Yu-
goslavia on Sunday.
"We got a letter from FIFA last
night telling us that no team will be
allowed to train at the Meazza sta-
dium," said the West German team
manager, Franz Beckenbauer.
"They want to preserve the grass."
The teams will have to train at
Milan's second stadium, San Siro.
The sod at San Siro was re-laid in
April after the old surface, branded
a "potato patch" by Italian soccer
players, broke up under the strain
of too many matches and less light
because of new roofing over the
stands.
"There is no problem. The pitch
is in perfect condition," an Italia
'90 spokesman said Wednesday.
He denied a report in the Cor-
riere dello Sport newspaper that
the turf had not taken root.
Back in Rome, consumer and
environmental groups on Wednes-
day asked a court to ban the use of
Olympic Stadium for the six
matches, including the final, that
are scheduled there.
The groups asked the court to
suspend an order by Interior Min-
ister Antonio Gava allowing the
stadium to be used despite an official
report that it does not fully
comply with safety standards.



A worker rolls the turf at Milan's new Giuseppe Meazza stadium.

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SPORTS

Pistons Rally Past Blazers, 105-99

By Sam Goldaper
New York Times Service
AUBURN HILLS, Michigan — The Detroit Pistons, seeking to become only the third franchise to win National Basketball Association championships in successive years, took another step in that direction, although for a long time the step was more of a stumble.

After never leading in the game, the Pistons, led by Isiah Thomas, rallied late in the fourth quarter and defeated the Portland Trail Blazers, 105-99, in the opener of the best-of-seven championship series at the Palace on Tuesday night.

Game 2 will be played here Thursday night. The series then moves to Portland for three games. The Trail Blazers led from the opening basket and the Pistons could only tie the score twice going into the fourth quarter.

They even fell behind by 90-80 with 6 minutes, 58 seconds, to play in the quarter.

Then the comeback began as Thomas, the Pistons' captain and point guard, took command and Portland went more than four minutes without a field goal.

Thomas' three-point basket with 3:30 remaining made it 94-84. His two-point shot a minute later made it 96-94 and gave the Pistons their first lead of the game.

His three-pointer with 1:49 left made it 99-94 and virtually sealed matters. Thomas finished with 33 points, 18 of them in the fourth quarter.

Before the game, he made little of the title-defense aspect of the series. "We're not here to defend anything," he said.

"We're here to win a championship," he added. "This is not the same team that won last year; we're

NBA FINALS: GAME 1

a different team with different goals and some different people."

Although their playing styles were different, with Portland stressing the fast break and Detroit playing more deliberately, the teams had a commonness in the way they were put together.

Among the starters on both teams, Thomas and Buck Williams, who came to Portland from the New Jersey Nets in a trade last June, were among the top five players selected in the first round of the 1981 draft.

The Pistons used the second pick for Thomas; the Nets chose Williams third.

Terry Porter, the Trail Blazers' heralded point guard, was the 24th choice in the 1985 draft, and Joe Dumars, the Pistons' other starting guard, was chosen six players earlier in the same draft.

Dennis Rodman of Detroit and Kevin Duckworth of Portland were second-round selections, and Bill Laimbeer and James Edwards, two-thirds of the Pistons' starting front line, were third-rounders.

"But believe me," said Jack Mc-

Closkey, the Pistons' general manager, "if you try to survive on the draft alone, it will catch up with you. You must make trades and sign a free agent here and there."

Jerome Kersey, picked 46th in the 1984 draft out of Longwood College in Virginia, got the Trail Blazers off to a torrid start and a 20-9 lead with 54 minutes remaining in the opening quarter.

Portland, pushing the ball up-court quickly so that its outside shooters could plant their feet firmly for open jumpers, missed only three of its first 10 shots.

The Blazers led, 15-5, when the Pistons called a timeout with 7:13 left in the quarter. The 6-foot, 7-inch (2-meter) Kersey, who entered the game as the Trail Blazers' leading playoff scorer (21 points per game), had six points at that break.

Kersey made five of his six shots and had 12 points as Portland shot 52 percent for the quarter.

While Portland hardly missed a shot, Detroit could barely make one.

The Pistons did not score their first basket, a layup by Edwards, until nine minutes remained in the period.

During the timeout, the Pistons changed their strategy. Instead of throwing up wild shots, they began to go inside, their strength.

Thomas, who had 12 points at the quarter, drove for three baskets and Dumars hit a jumper and added two free throws to slice the lead to five with 3:44 left.

But four more points by Kersey and two Clyde Drexler free throws got Portland's lead back to 11.

The Trail Blazers' shooting cooled at the start of the second quarter, the Pistons defense toughened and Mark Aguirre came off the bench to lend a hand with nine points, allowing Detroit to creep back into the game. A three-point play by Laimbeer with 6:26 left in the half allowed the Pistons to catch up at 35-35.

But Detroit was never able to take the lead, and Portland led, 52-47, at halftime.

The Pistons drew even again, 66-66, five minutes into the third quarter after a layup by Thomas on a pass from Rodman.

Kryzewski Talks Cited

Mike Kryzewski, the basketball coach at Duke, will meet for the second time with the Boston Celtics concerning the NBA team's vacant coaching position, United Press International reported Tuesday from Durham, North Carolina.

Sources said that the meeting later this week would include Dave Gavitt, Boston's new executive vice president, and possibly the team president, Red Auerbach. The Celtics are expected to make a contract proposal at that time.

Jimmy Rodgers was fired as coach last month after Boston's first-round playoff elimination.

Gavitt and Kryzewski met Monday in Durham, but both have declined to comment on their talks.



Isiah Thomas, whose commanding play in the fourth quarter boosted the Pistons, getting a lift from teammate Dennis Rodman.

VANTAGE POINT/Thomas Boswell

Isiah Shifts to 'T' Gear

Washington Post Service

AUBURN HILLS, Michigan — The line between hubris and heroism often is stretched paper thin in sports. Without an incredibly high level of arrogance and audacity, it is impossible to do remarkable deeds under abnormal pressure. However, an iota too much gall and you become a goat, an egomaniac and a curse to your teammates.

As he has aged into a superb maturity, Isiah Thomas has learned exactly when to unveil his athletic arrogance and turn it into the dependable coin of heroism. Now, in his 10th season in the National Basketball Association, the Detroit Pistons' guard — like Magic Johnson and Larry Bird in the NBA finals before him — knows exactly when to forget all those clichés about "team" being a word that contains no "I."

Without the "I" in Isiah, the defending NBA champion Pistons would have lost the first game of the 1990 finals Tuesday and the home-court advantage with it. With less than seven minutes to play, Detroit trailed Portland, 90-80. The Pistons were an exhausted team being thoroughly outplayed. The Trail Blazers had, in fact, never trailed.

The Pistons called time out. They did not have to say, "Isiah, please."

Everybody knew. "We were belly up, dead in the water, when Isiah took over," said Chuck Daly, the Detroit coach. "He played one of those magic 10 minutes when he was on fire and bailed us out."

At the same moment when Detroit made the perfect decision — go to Thomas — the Trail Blazers' coach, Rick Adelman, made a disastrous one. Portland's weakness is its young bench, especially guard Danny Young and forward Cliff Robinson, who looked lost all night. With a chance to win an enormously important game, Adelman left Young and Robinson in the game. Before he could get them out, Thomas had hit two quick jump shots and dashed off an assist as the Pistons cut the lead to 92-89 and awakened the dormant crowd.

"Isiah can take over even when he's dead-tired and totally fatigued," Daly said. "And he did it again tonight."

The crowd helped. "I got an energy burst from somewhere," Thomas said. "Earlier I was missing layups because I just didn't have enough energy to get it to the hole. But the crowd was into it and I fed off them."

Thomas has had countless nights of glory in a career full of 20-point, 10-assist games. But even Thomas hasn't had many explosions better than the 2:28 burst that he laid on the Trail Blazers.

At 4:18, when Thomas made a steal, Detroit still trailed, 94-89. At 1:50, when he nailed a brazen in-your-face three-point bomb from in front of the Pistons' bench, Detroit led, 99-94, and the game was over emotionally.

Thomas is supposed to be a driver first, a disher second and a pure shooter down the line. His career shooting percentage (.459) is nowhere close to the level of his game. But when he needed to stick it from the street, he did. The final score (105-99) felt like a formality.

Thomas may have given the Blazers the kiss of death Tuesday, but nobody who was there thinks the Pistons are safe.

The Trail Blazers probably left a wake-up call for most basketball fans Tuesday night. These NBA finals just became mandatory viewing for sports nuts. And lots of others, too. Those who love pro basketball know the Trail Blazers won 59 games this season, as did the Pistons.

"We were the struggling team all night long," Daly said. "We looked like a dead-tired club. We have to regroup, energy-wise and I don't know how. It's knockdown drag-out time now. I'm afraid that's how it's going to be. We were lucky to win one like that. They're very athletic. They'll be back."

Oddly, Portland sounded cocky after this battle. Except for its essentially nonexistent bench, Portland did everything it set out to do. The 7-foot (2.13-meter) Kevin Duckworth pushed Bill Laimbeer around like a child. Clyde Drexler had no problem penetrating. Jerome Kersey and even Buck Williams, not known for offense, could get their shots at will.

But despite all Portland's optimism in defeat, the champion Pistons emerged with two solid causes for repeat hope: Their bench, especially Mark Aguirre (18 points in 28 minutes), appears enormously better than Portland's. And, in the closing minutes, when most championships are decided, they always know where they can turn — to the little point guard with a baby's face and a killer's heart.

Hoboken Again Lays Claim to Baseball

New York Times Service

NEW YORK — It is as much a part of the panoply of baseball as spring training, hot dogs and the seventh-inning stretch, and like those cherished traditions, this one seems destined to endure.

It is the periodic, always earnest and invariably vain campaign to persuade some authoritative body beyond New Jersey's borders to provide official recognition of the indisputable fact that Hoboken, New Jersey, was the birthplace of baseball.

No one seriously disputes that the first game of baseball, as opposed to the various forms of town ball or other precursors, was played on the old Elysian Fields cricket grounds in Hoboken on June 19, 1846, just as no one seriously believes that Abner Doubleday invented baseball (or anything else) in Cooperstown, New York, in 1839. (He wasn't there.)

But the Cooperstown whopper is such a charming fiction and the Hoboken campaigns are such delightful diversions that the burghers of baseball are not likely to spoil things by giving Hoboken the recognition it seeks.

The current campaign, to be sure, sets standards that future campaigns will find hard to equal, but will surely try.

Among other things, the 1990 edition includes the usual photograph of the old Carter & Ives print of the first game and a stunning new poster by the Hoboken artist Michael Vennegia promoting the latest re-creation of the game, at Stevens Park, on June 19.

There is also a ringing statement by the mayor of Hoboken, Patrick Piscilli, and a series of monographs by a Hoboken historian, Stephen E. Sprizer, retelling the familiar story of how Alexander Cartwright devised the rules

of modern baseball and staged the first game in Hoboken and re-debunking the well-documented Doubleday-Cooperstown myth.

All this is packaged by a Hoboken public relations firm, as professionally and as persuasively as any produced by the industry giants across the Hudson.

The campaign, to be sure, is so compelling that it would be hard not to accept the Hoboken claim, except for the fact that to do so would rob future generations of one of their baseball birthrights: the chance to savor — and to ignore — Hoboken's repeated plaintive appeals.

One day, of course, baseball authorities just may recognize Hoboken's claim. That, presumably, will be the day they abolish spring training, hot dogs and the seventh-inning stretch.



No one seriously disputes that the first game of baseball was played on the old Elysian Fields cricket grounds in Hoboken on June 19, 1846, just as no one seriously believes that Abner Doubleday invented baseball in Cooperstown in 1839.

BOOKS

SMALL VICTORIES: The Real World of a Teacher, Her Students, and Their High School

By Samuel G. Freedman. 431 pages. \$22.95. Harper & Row, Publishers Inc., 10 East 53d Street, New York, N. Y. 10022.

Reviewed by Richard Rodriguez

A national confidence in U.S. public education erodes, there has been a search on television and in films and books for the good teacher — Marva Collins on "60 Minutes"; Jaime Escalante in "Stand and Deliver."

Last year, Tracy Kidder's "Among School Children" described a year in the life of a grammar school teacher. Now we have Samuel G. Freedman's "Small Victories," an account of a year in the life of a high school teacher.

Freedman's good teacher is Jessica Siegel, a woman in her 30s, single, childless, an English teacher possessed of no discernible sentimentality about her mission and yet much passion.

Freedman, a former reporter for The New York Times, follows her through the 1987-88 academic year at Seward Park High School on the Lower East Side of Manhattan — "perhaps the most famous immigrant neighborhood in the world."

"Small Victories" does not tell us very much about the special needs of immigrant children. Despite the fact that 90 percent of Seward Park students come from homes where parents do not speak English, Freedman does not evaluate debatable innovations like bilingual education.

Partly this is because Siegel's students are seniors — most have been in the United States for several years and know their way through American English.

Here, windows are broken, classrooms are overcrowded. In 1985, an education task force, noting Seward Park's low test scores, ranked the school with the lowest 10 percent in the state of New York.

"Looking down the aisles and across the rows, Jessica sees the usual Seward Park stew, all the confusion an immigrant-grown child can offer — an American-born black alongside a Panamanian who has the same pigment but speaks Spanish at home; a Chinese in pleated trousers and aviator glasses in front of a compatriot with curly black hair and a second-hand sweatshirt."

Seward Park is nothing in the public appraisal. Nothing but an educational Calcutta. Nothing but a big city neighborhood school, "the catchbasin for poor black, Hispanic and Asian children."

Seward Park receives proportionately less money from the Board of Education than selective magnet schools or special public schools like Stuyvesant High. Yet, then, do we seek out the story of Jessica Siegel and her "small victories?"

At a time when college professors shy away from the notion of a common American canon, Siegel teaches her students the 17th-century Puritan poetry of Anne Bradstreet. Siegel succeeds because she will not condescend to the "social disadvantages" or "cultural diversity" of her students.

The most remarkable scene in this book comes when Siegel explicates with her class the nuances of a paragraph in "The Great Gatsby."

What her story does make clear is that teaching, good teaching, is a vocation, not a job. There she goes with three students in a borrowed car, defying rush hour traffic to get to the State University campus at New Paltz. Siegel has arranged interviews for her students with a counselor for economically disadvantaged students.

She gets lost on the way; she gets stuck in traffic; the students arrive too late. (The university bureaucracy is poised to leave his office at exactly 5 P.M.) And we care about Siegel's frustration. We care about her disappointment.

A book like "Small Victories" encourages optimism. Here is a portrait of a selfless life in a selfish time. But Siegel's story should not bring easy consolation. She has lost teaching.

Richard Rodriguez is the author of "Hunger for Memory," the story of his education. His new book, "Meadow's Child," is to be published by Viking in 1991. He wrote this for The New York Times.

BRIDGE

By Alan Truscott

TWO West players read a wealth of meaning into a hesitant pass by an opponent on the diagramed deal from the Resinger Knockout Team Championship quarter-final in New York. At both tables the bidding followed the course shown. The raise to four hearts was a slight overbid, and South thought briefly about slam possibilities before passing. Both West players concluded from this that routine defense was unlikely to succeed. They were right about this: After a passive lead of a trump or a club, South would have had no trouble whatever. But an attacking lead could give the declarer a headache. In one case Saul Bronstein, executive secretary of the Greater New York Bridge Association, which organizes the event, underbid his ace of spades. This was immediately devastating: South naturally assumed that the ace was on his right. He played the jack from the dummy, and lost the first four tricks when the defense took a diamond ruff as well as two spades. In the replay David Beckwith led the diamond ace with the idea of giving his partner a ruff. This was right up to a point, but when the dummy appeared he realized that one diamond ruff would not serve to beat the contract. He therefore underbid his ace of spades, and South again went wrong by playing the jack. Again the result was down one. In this case, however, there was a very obscure clue to the winning play. If, as South feared, West had led a singleton diamond ace and East held the spade ace, East would presumably have played the diamond ten at the first trick as a suit preference signal for a shift to spades.

WEST
♠ A 7 5 3
♥ A 10 8 7
♦ A 10 8 7
♣ A 10 8 7

EAST
♠ K 10 6 5 3
♥ Q 10 8 6 5
♦ K 9 7 4 3
♣ K 9 7 4 3

SOUTH
♠ A 10 8 7 2
♥ K 9 7 4 3
♦ K 9 7 4 3
♣ A 10 8 7

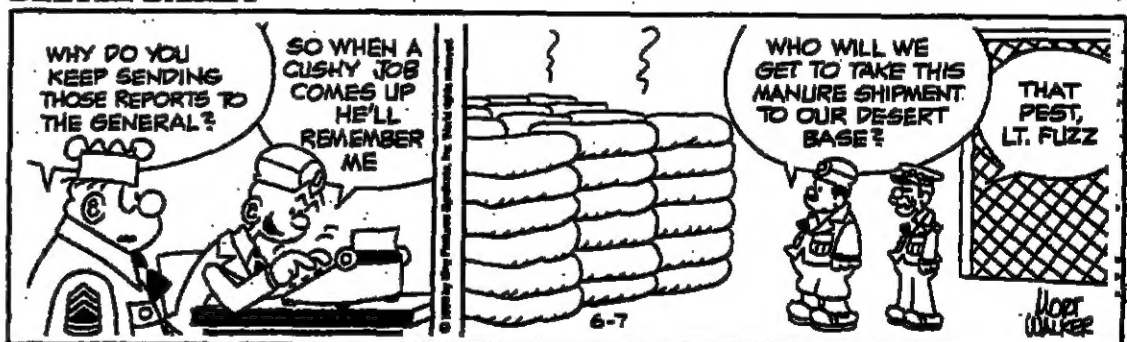
Neither side was vulnerable. The bidding:
North East South West
10 Pass 10 Pass
10 Pass 10 Pass

West led the spade two.

PEANUTS



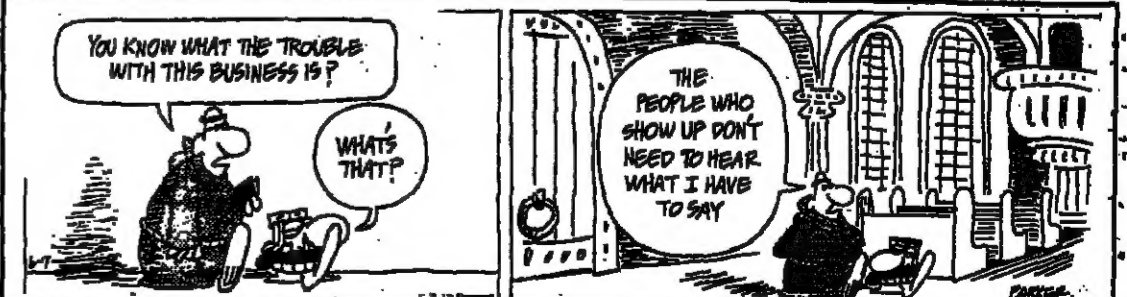
BEETLE BAILEY



ANDY CAPP



WIZARD OF ID



REX MORGAN



GARFIELD



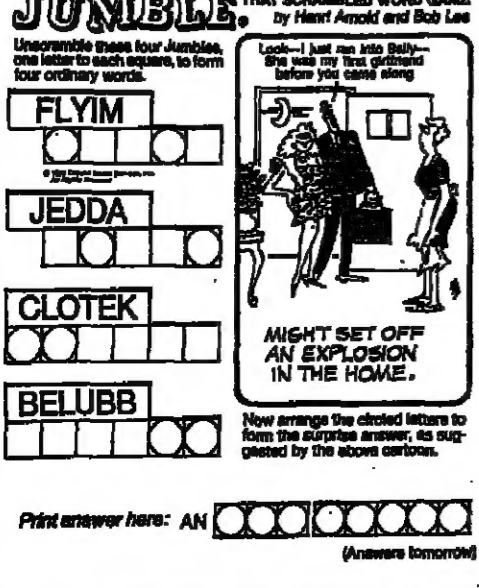
DOONESBURY



DENNIS THE MENACE



JUMBLE



BLONDIE



Golly, Mr. Wilson! It makes you look a hundred years younger!

Yesterday's Jumble: CROUP, POST, DENTAL, VALLOP. Answer: Why he was up feeling down in the mouth — THE PILL WAS TORN.

SPORTS

Agassi: On a Roll With Hot Tennis (and Colors)

By Nick Stout
International Herald Tribune

PARIS — Observing Andre Agassi play tennis here for the past few days, a popular French talk-show host remarks: "He dresses like a bicycle rider and walks like a soccer player."

Nonconformism is certainly Agassi's trademark. The pink stretch-nylon cycling pants that he wears to mid-thigh under his faded black tennis shorts may not please the "boozers," as he calls the gentlemen who make the rules, but they have not prevented him from playing tantalizing tennis during the past 10 days.

With the French Open now reduced to the final four, this 20-year-old product of Las Vegas is the odds-on favorite to win the tournament.

"I'm a different player," Agassi said this week, reflecting on his third-round loss here last year. "The physically stronger, which makes a difference. And when you're physically stronger, you're also mentally stronger."

The improvement was not lost on Michael Chang, Agassi's most recent victim.

"The day has given him more of a thinking game," Chang said Tuesday after his quarterfinal loss to Agassi. "On clay you really need to think. And he's thinking a lot better. On hard courts he can really blow a person off the court. On clay you can't do that. After what he's gone through in the last year, I think he's really matured and we'll have to see how he does in the next couple of rounds. He's playing some good tennis."

After an impressive year in 1988, when he won six tournaments and was ranked as high as No. 3, Agassi buckled under the pressure.

"I was just fried," he said, explaining his slump. He won only one tournament in 1989, and saw his ranking fall to No. 7. But he entered the French Open — his sixth event this year — ending confidence. With two tournaments already in hand and a ranking of No. 5, he is clearly back on a roll.

Agassi started the year in February with a tournament victory in San Francisco. The next week he defeated in the third round with a bout of food poisoning, but in March he took Stefan Edberg to four sets — including two tiebreakers — before losing the final at Indian Wells, California.

Less than two weeks later, Agassi and Edberg

were in the final of the Lipton Players Championships in Key Biscayne, Florida, and this time Agassi prevailed.

In the clay-court event in Hamburg in May, Agassi lost a rain-interrupted contest to Magnus Gustafsson of Sweden. Rather than continue on the preparation circuit for the French Open, Agassi went home to Las Vegas so that he could come back to Europe in a refreshed state of mind. Maybe he was thinking of his 1988 semifinal match here, which he lost in five sets to Mats Wilander.

"I felt horrible after that match," Agassi said recently. "It was so close. I felt weak and I cramped. I just thought of bed, and of getting off the court quickly."

Seen everywhere with Agassi this year is Gil Reyes, a refrigerator of a man who, according to Agassi, "isn't a bodyguard, but a friend who happens to be very strong and who could be a bodyguard if necessary." The two have been working since January on Agassi's physical conditioning.

"You guys would be looking at your watches if I tried to tell you everything I do," Agassi told reporters who were curious about his exercise regimen. He gave a few brief examples, however: "Upper body, lower body, sprints."

If he wins the French Open, Agassi will probably have his first face-to-face encounter with Philippe Chatrier, the tournament director whom he has been insulting all week in the much exaggerated controversy over Agassi's attire.

The hullabaloo centers on Chatrier's statement that the French Open might follow Wimbledon's example and institute a "predominantly white" dress code.

Agassi, who has a lucrative contract with the clothing manufacturer Nike, has staunchly defended his fluorescent look.

"I think you should have freedom to express how you feel," he said. "Wearing colors is what tennis needs. It adds a little something."

As a taunt to Chatrier, who is also president of the French and international federations, and others who would tend to disagree, Agassi gave a hint of what was to come.

"Hot lava colors," he said with a grin.



Andre Agassi: Fluorescent clothing and tantalizing tennis.

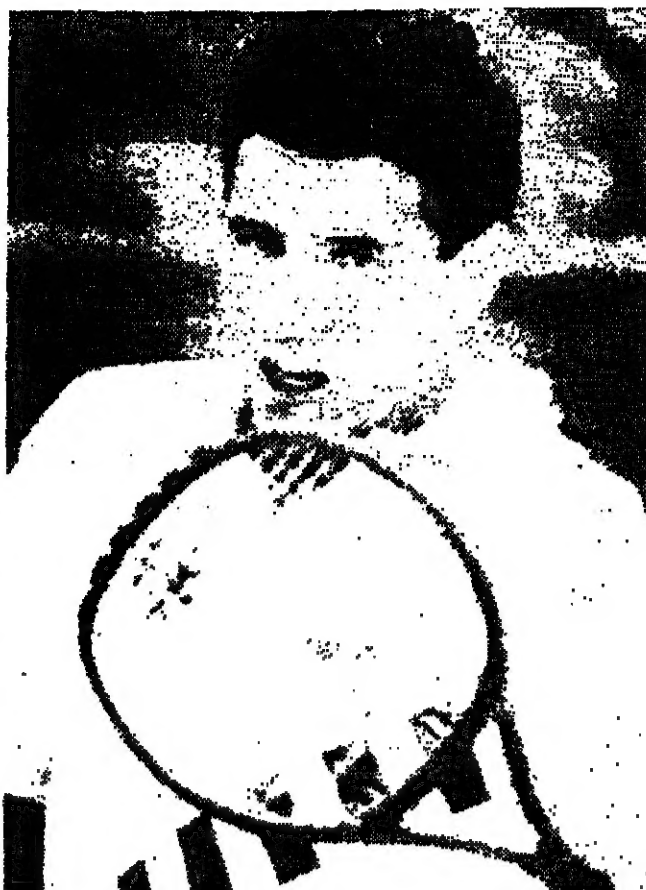
Muster Ousts Ivanisevic, Gomez Routs Champion

By Nick Stout
International Herald Tribune

PARIS — Thomas Muster and Andres Gomez were triumphant here Wednesday, completing the semifinal lineup in the French Open tennis championships.

They will play each other on Friday for the right to challenge the winner of the Andre Agassi-Jonas Svensson match in Sunday's final.

Muster, the Austrian who came to Paris fresh from a victory in the



Andres Gomez disposed of Thierry Champion in straight sets.

FRENCH OPEN

Italian Open, beat Goran Ivanisevic of Yugoslavia, 6-2, 4-6, 6-4, 6-3. Gomez disposed of Thierry Champion of France, 6-3, 6-3, 6-4.

The women's semifinals are set for Thursday, when Steffi Graf plays Jana Novotna and Jennifer Capriati challenges Monica Seles.

The Muster-Ivanisevic match was a slugfest between two tall left-handers on a chilly gray afternoon.

"He was playing unbelievably," Ivanisevic, 18, said of his 22-year-old opponent. "He played the balls so heavy and kept moving me from left to right. If he keeps playing like this, he's going to win the tournament."

For Muster, the victory represents yet another step in his remarkable comeback from an automobile accident that nearly ruined his career.

"I worked hard while I was injured, and all my preparation has paid off," Muster said Wednesday after eliminating the man who had upset Boris Becker, the second seed, in the first round.

The most difficult part of the match, Muster said, was trying to anticipate Ivanisevic's scathing serve.

"It was getting dark, and he served so hard," Muster said. "I couldn't guess where it was going. It was very hard on my eyes."

So hard, in fact, that Ivanisevic was able to serve 10 aces.

"Goran was very confident," Muster continued. "But I could see in the fourth set that he was tired and couldn't place his serves as well. He wasn't as powerful."

In April 1989, hours after he beat Yannick Noah to reach the final of the Lipton Players Championships in Key Biscayne, Florida, Muster was struck by a drunken driver. He was pinned under a car, and the ligaments in his left knee were severed.

So Muster came to the French Open last year on crutches, doing commentary for Austrian television. He slowly worked his way back into shape with the aid of a special chair that let him hit tennis balls while keeping his injured leg at rest. It was often discouraging. The doctor had told him not to expect results before 12 months, but Muster was in a hurry.

"You try to build up your mus-

cles and nothing happens," he said. "Your muscles just don't get bigger. Sometimes you think it will never happen."

But he was playing tennis again in September, reappearing in a doubles tournament in Geneva.

As an unseeded player at the Monte Carlo Open in April, Muster fought past Martin Jaitt, Jim Courier, Juan Aguilera and Henri Leconte before he was stopped by Andrei Chesnokov in the final.

A few weeks later, he got revenge by defeating Chesnokov in the final of the Italian Open.

Now, as the No. 7 seed here, Muster feels he has regained the level of play that he had before the accident. It is only his attitude that is different.

"I learned a lot from my accident," he said. "I learned that there are more important things in life than losing or winning a match. If I win, then great. But if I lose, then in my mind I am happy just to be alive."

"There are more painful things in life than losing a match," he continued. "It lasts only for a moment when you have a match. But when you have been working 10 years to reach a goal, and then you're almost there and suddenly you can't walk any more, that's more difficult than losing a match."

Gomez, one of the world's finest

clay-court players and the No. 4 seed here, had little trouble with Champion, a 23-year-old French qualifier ranked 191st in the world.

"To play him in the quarterfinals was too good an opportunity to let go," said Gomez, whose luck also included a four-round walkover when Magnus Gustafsson of Sweden withdrew with an injury. "After 10 or 12 years on the circuit, there was no way I was going to let it go."

Champion got as far as he did by defeating Aguilera in the second round and then profiting from Karel Novacek's upset of Aaron Krickstein.

Gomez, a semifinalist for the first time in 10 years of playing Grand Slam tournaments, is finally within sight of victory.

"I came as one of the favorites," the 30-year-old Ecuadoran said. "With all the talk about Chesnokov and Muster and Leconte, I have been pushed aside. I have won two tournaments on clay this year and have had good results on clay. I beat Chesnokov and I lost to Muster, and I lost to Leconte and I beat Aguilera, and so everybody is beating everybody. Now, I'm here and most of the others are gone. My preparation was perfect going into this tournament."

"I didn't come here to get to the quarter or the semis," he added. "I came here to win."

Playing 'Better and Better,' Pirates Edge Cubs, 6-5, but Fail to Win Fans

The Associated Press

It seems to take a lot to convince the Pittsburgh fans that the Pirates are for real this season.

The first two contests of a three-game series against the defending National League East champion Chicago Cubs in Pittsburgh drew a combined total of 29,899. The Pirates are doing their very best to bring the fans out, though.

Pittsburgh turned two high-hop ground balls and a walk into the winning run in the ninth inning to beat the Cubs, 6-5, Tuesday night in Pittsburgh.

With a 52-19 record, the Pirates lead Philadelphia and Montreal by four games in the East Division.

Bobby Bonilla hit a three-run homer in the first inning as the Pirates won for the eighth time in 11 games.

"I've seen it all here," said outfielder R.J. Reynolds, who scored the tying run in the eighth and drove home the winning run in the ninth. "I've seen 102 losses in a season. But now I'm seeing it getting better and better."

With the Pirates trailing, 5-4, in the eighth, Reynolds singled and scored on a sacrifice fly by Andy Van Slyke.

Pinch-hitter Wally Backman walked to start Pittsburgh's ninth and Gary Rodin hit a grounder that bounced over third baseman Domingo Ramos's head for a double. With the infield playing, Backman scored standing up as Reynolds hit a high-bouncing grounder to second.

Mets 6, Expos 5: Tom O'Malley hit a home run in the 11th inning to lift the Mets in New York. Kevin McReynolds broke a 1-for-25 slump when he tied the score, 5-5, with a two-run homer in the eighth.

Phillies 9, Cardinals 6: Len Dykstra, who extended his hitting streak to 18 games, tied the score with a two-run single and Von Hayes put Philadelphia ahead with another two-run single to cap a four-run eighth for the visiting Phillies.

(Gents 6, Reds 1: Scott Garrels ended a season-long slump by out-

pitching the National League's earned-run-average leader, Jack Armstrong, in San Francisco.

Armstrong failed to become the league's first nine-game winner after losing to the Pirates.

BASEBALL ROUNDUP

ter giving up three runs on four hits in 6 1/2 innings. Garrels, last year's National League ERA leader, was 0-3 with a 9.33 ERA in four starts before holding the Reds to four hits over seven innings.

Brewers 6, Dodgers 4: Atlanta's Pete Smith pitched one-hit ball for seven innings and a throwing error by Dodger third baseman Lenny

Harris led to a six-run eighth inning in Los Angeles.

Dave Justice added a two-run double, Dale Murphy an RBI single and Jeff Blauser capped the Braves' eighth with a run-scoring double.

Padres 11, Astros 2: Dennis Rasmussen pitched a four-hit shutout and Shawn Abner and Garry Templeton hit consecutive home runs in a six-run fifth inning in San Diego.

Athletics 7, Rangers 4: In an American League game in Texas, Mark McGwire hit two homers and drove in five runs and Dennis Eckersley got his 17th save in 17 chances.

Blue Jays 7, Twins 3: Tony Fernandez, moved from the leadoff to the No. 2 batting position on Saturday, tripled twice and drove in three runs for the Blue Jays in Toronto. Mookie Wilson got three hits and Finley homered.

Red Sox 9, Yankees 8: In Boston, Wade Boggs tripled in the eighth and scored the winning run on Jody Reed's suicide squeeze. Randy Velarde's two-run homer capped a four-run rally in the Yankees' eighth that tied it at 8.

Mariners 10, White Sox 6: Jay Buhner hit a three-run double and Henry Cotto tripled and singled during a seven-run fifth inning in Chicago. Cotto made it 4-1 with an RBI triple, then made it 10-1 with a two-run run.

Tigers 6, Indians 2: In Cleveland, Cecil Fielder and Lloyd Moseby, who each got two hits, had RBI singles in the third, and Alan Trammell's two-run single made it 6-0 in the fourth.

Brewers 6, Orioles 4: Jaime Navarro, sent to the minors earlier this season and recalled because of injuries, gave up two singles in six innings in Milwaukee.

B.J. Surhoff homered during a three-run sixth inning that put the Brewers ahead, 5-1.

Angels 6, Royals 4: In Kansas City, Chili Davis hit his second home run of the season and second in two days, as California scored three times in the first.

Morgan Barred Over Support of 'Hu' by Clemens

The Associated Press

NEW YORK — Joe Morgan, the Boston Red Sox manager, has been suspended for three games by the American League president, Bobby Brown, for backing a pitch that hit a batter and led to a bench-clearing brawl Sunday.

Morgan said he would not contest the suspension, which was to begin Wednesday. "Appeal? Appeal for what? You lose appeals," he said.

The battle started Saturday when Cleveland reliever Doug Jones threw a pitch near the head of Tony Pena, who had helped Boston win the previous night. On Sunday, Roger Clemens hit Stanley Jefferson leading off the Indians' first inning, triggering a fight.

"I loved it. We got even, didn't we?" Morgan had said.

Brown said in a statement: "The fact that pitchers throw close to hitters and sometimes deliberately hit them is a known fact. Nevertheless, it behooves the American League office to eliminate premeditated and announced violence. This cannot be condoned, and increasing suspensions and fines will be imposed if the practice continues."

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE			
Team	W	L	Pct.
Seattle	23	14	.619
California	22	15	.595
Los Angeles	21	16	.568
San Francisco	20	17	.543
Oakland	19	18	.514
Minnesota	18	19	.483
Chicago	17	20	.457
Philadelphia	16	21	.432
Texas	15	22	.407
San Diego	14	23	.381
Atlanta	13	24	.355
St. Louis	12	25	.329
Washington	11	26	.303
Detroit	10	27	.277
Los Angeles	9	28	.250
San Francisco	8	29	.224
Seattle	7	30	.198
Philadelphia	6	31	.172
San Diego	5	32	.146
Los Angeles	4	33	.120
San Francisco	3	34	.094
Oakland	2	35	.068
Minnesota	1	36	.042
Chicago	0	37	.016

Tuesday's Line Scores

Team	W	L	Pct.
Seattle	23	14	.619
California	22	15	.595
Los Angeles	21	16	.568
San Francisco	20	17	.543
Oakland	19	18	.514
Minnesota	18	19	.483
Chicago	17	20	.457
Philadelphia	16	21	.432
Texas	15	22	.407
San Diego	14	23	.381
Atlanta	13	24	.355
St. Louis	12	25	.329
Washington	11	26	.303
Detroit	10	27	.277
Los Angeles	9	28	.250
San Francisco	8	29	.224
Seattle	7	30	.198
Philadelphia	6	31	.172
San Diego	5	32	.146
Los Angeles	4	33	.120
San Francisco	3	34	.094
Oakland	2	35	.068
Minnesota	1	36	.042
Chicago	0	37	.016

BASKETBALL

NBA Finals

Team	W	L	Pct.
Seattle	23	14	.619
California	22	15	.595
Los Angeles	21	16	.568
San Francisco	20	17	.543
Oakland	19	18	.514
Minnesota	18	19	.483
Chicago	17	20	.457
Philadelphia	16	21	.432
Texas	15	22	.407
San Diego	14	23	.381
Atlanta	13	24	.355
St. Louis	12	25	.329
Washington	11	26	.303
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Seattle	7	30	.198
Philadelphia	6	31	.172
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Tuesday's Line Scores

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Seattle	23	14	.619
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Detroit	10	27	.277
Los Angeles	9	28	.250
San Francisco	8	29	.224
Seattle	7	30	.198
Philadelphia	6	31	.172
San Diego	5	32	.146
Los Angeles	4	33	.120
San Francisco	3	34	.094
Oakland	2	35	.068
Minnesota	1	36	.042
Chicago	0	37	.016

CYCLING

Tour of Italy

Team	W	L	Pct.
Seattle	23	14	.619
California	22	15	.595
Los Angeles	21	16	.568
San Francisco	20	17	.543
Oakland	19	18	.514
Minnesota	18	19	.483
Chicago	17	20	.457
Philadelphia	16	21	.432
Texas	15	22	.407
San Diego	14	23	.381
Atlanta	13	24	.355
St. Louis	12	25	.329
Washington	11	26	.303
Detroit	10	27	.277
Los Angeles	9	28	.250
San Francisco	8	29	.224
Seattle	7	30	.198
Philadelphia	6	31	.172
San Diego	5	32	.146
Los Angeles	4	33	.120
San Francisco	3	34	.094
Oakland	2	35	.068
Minnesota	1	36	.042
Chicago	0	37	.016

Tuesday's Line Scores

Team	W	L	Pct.
Seattle	23	14	.619
California	22	15	.595
Los Angeles	21	16	.568
San Francisco	20	17	.543
Oakland	19	18	.514
Minnesota	18	19	.483
Chicago	17	20	.457
Philadelphia	16	21	.432
Texas	15	22	.407
San Diego	14	23	.381
Atlanta	13	24	.355
St. Louis	12	25	.329
Washington	11	26	.303
Detroit	10	27	.277
Los Angeles	9	28	.250
San Francisco	8	29	.224
Seattle	7	30	.198
Philadelphia	6	31	.172
San Diego	5	32	.146
Los Angeles	4	33	.120
San Francisco	3	34	.094
Oakland	2	35	.068
Minnesota	1	36	.042
Chicago	0	37	.016

TENNIS

French Open

Team	W	L	Pct.
Seattle	23	14	.619
California	22	15	.595
Los Angeles	21	16	.568
San Francisco	20	17	.543
Oakland	19	18	.514
Minnesota	18	19	.483
Chicago	17	20	.457
Philadelphia	16	21	.432
San Diego	15	22	.405
St. Louis	14	23	.379
San Jose	13	24	.353
San Jose	12	25	.326
San Jose	11	26	.299
San Jose	10	27	.273
San Jose	9	28	.246
San Jose	8	29	.220
San Jose	7	30	.193
San Jose	6	31	.167
San Jose	5	32	.140
San Jose	4	33	.113
San Jose	3	34	.087
San Jose	2	35	.060
San Jose	1	36	.033

